

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Thursday, August 27, 1998

No. 35,920



Paramedics in Cape Town rushing to help victims outside the Planet Hollywood restaurant after it was bombed.

## FBI Aid Asked in Cape Town Blast

By Donald McNeil  
New York Times Service

CAPE TOWN — As a local Muslim group strongly and repeatedly denied that it was responsible for a fatal bomb explosion Tuesday night at a Planet Hollywood restaurant here, the South African government Wednesday invited the U.S. Federal Bureau of Investigation to join its inquiry into the blast.

One man died and at least 27 were injured in the blast.

A special agent assigned to the U.S. Embassy in Pretoria arrived Wednesday morning, and two bomb experts who

had been investigating the larger and more devastating explosions at the U.S. embassies in Kenya and Tanzania were expected early Thursday.

Also Wednesday, a senior police official said detectives were following "some firm leads" and implied that there might be arrests soon.

The FBI was invited not to so much to assist local investigators, the police said, but to see if there are any links between the Planet Hollywood blast and others against American institutions around the world.

"We've had a long history of bombings in this country, so we've developed our bomb squads to quite a high abil-

ity," said the police captain, Rod Beer. "But we want to cooperate with the Americans."

Security was increased here not only at U.S. Embassy and consular offices but at other symbols of Americana here, including the country's 45 McDonald's hamburger outlets.

The police made it clear they did not think there are any obvious links to the blasts in Nairobi and Dar es Salaam, Tanzania. Those were powerful car bombs that destroyed whole buildings, and the United States has said a worldwide terrorist network allegedly run by

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## With Russia Near the Brink, Chernomyrdin Pleads to IMF

By Celestine Bohlen  
New York Times Service

MOSCOW — As Russia confronts its worst financial crisis since the collapse of the Soviet Union, with the ruble poised for a free fall, Acting Prime Minister Viktor Chernomyrdin made a sudden trip to Ukraine to plead with the visiting head of the International Monetary Fund not to cut off its next installment of credits to Moscow.

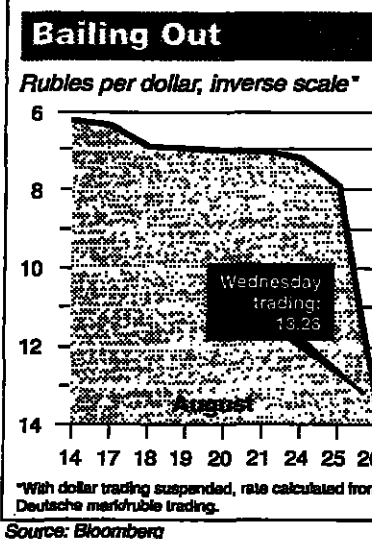
Alarmed by the ruble's 9 percent drop a day earlier, anxious Russians rushed to

Yeltsin stays out of sight. Page 5.

their banks on Wednesday, only to be given mixed signals on when and how they might retrieve their savings.

Dollar trading on the Moscow currency exchange was halted, and the value of the ruble dropped 40 percent against the Deutsche mark in a single transaction.

The Central Bank of Russia, under bitter attack at home and abroad for its handling of the crisis, said Wednesday that it could no longer afford to protect the ruble.



It disclosed that it had already spent \$8.8 billion doing so in just the last two months.

In another statement released later in the day, the bank said it would not impose limits on currency transactions, a move that it said would be a step back to "another economic model," an allusion to strict state controls under Communist rule.

Mr. Chernomyrdin's quick trip to the Crimean resort of Simferopol, where Michel Camdessus, managing director of the IMF, was scheduled to meet Wednesday with the Ukrainian president, Leonid Kuchma, was seen as a sign of Russia's growing concern that the IMF would refuse to issue its next tranche of \$4.8 billion in credits.

This is due to be reviewed by the IMF board in September.

Delivery of the IMF funds is now Russia's only hope for a new injection of foreign aid. Western leaders warned that it would be up to the Russian government to pull the country out of its looming financial nightmare.

"There are no short-cuts in restoring market confidence, and the next steps are up to the Russia," Barry Toiv, a White House spokesman, said.

That nightmare was already on the horizon for thousands of Russian companies, caught between the ruble's downward spiral and a gridlock in the Russian banking system.

Several companies reported Wednesday that their banks had not forwarded payments made by customers.

"They take money out of your account, and it may or may not leave your bank, you don't know," the director of a Russian food-processing plant said.

"As a client of the bank, I don't care what they are waiting for," said another Russian businessman, who asked not to be identified. "After one week of this, they are killing me."

President Boris Yeltsin has made no further comment on the crisis since a brief televised appearance on Monday, when he gave an explanation of his reappointment of Mr. Chernomyrdin, the man he had fired as prime minister five months earlier.

"Financial and economic policy is a question to which I am giving my attention minute by minute," Mr. Chernomyrdin told the Itar-Tass news agency. "I am extremely dissatisfied with the work of the central bank over the last two days."

As Mr. Chernomyrdin flew to Ukraine, leaders of Parliament continued their public bargaining over the future of his government.

At a news conference, Gennadi Seleznyov, a Communist who is the speaker of the lower house, the State Duma, said Parliament was still working on its own proposal to cope with the economic emergency.

He said Mr. Chernomyrdin must endorse this before his appointment as prime minister could be confirmed at a session now scheduled for Sept. 2.

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## Turmoil Forces the Fund To Soften Its Regulations

Lenders Are Unlikely to Get Full Repayment

By Louis Uchitelle  
New York Times Service

WASHINGTON — Pummelled by global financial crises, the International Monetary Fund is gradually softening its policies, becoming more tolerant of arrangements it would have rejected a year ago — and even allowing some Asian debtors not to repay all they owe to foreign banks.

Now, the Russian government is pushing this process, which favors the country in crisis, a step or two further.

Russia has said that \$40 billion in debt, scheduled for repayment over 18 months, will be "stretched out" and paid over three to five years. Probable devaluations of the ruble over so long a period raises the odds that foreign lenders, such as Chase Manhattan and Bank of America, will not be fully repaid in dollars.

As a result, one of the great debates of the Asian crisis is showing signs of being settled by events.

The IMF and its mentor, the Clinton administration, have faced criticism for

months that their policies are pitched to assure full repayment of foreign lenders, at the cost of economic growth. Rescuing these lenders and investors from their risky actions only encourages more risky lending and more financial crises. Or so the argument goes, even among some Democrats and Republicans in Congress who oppose an \$18 billion appropriation to fund the IMF. But now events appear to be overtaking words.

"We are basically reacting to the realities that are unfolding," said John Boorman, the IMF's director of policy development and review.

Trying to revive the disastrous Indonesian economy, for example, the IMF has encouraged corporate borrowers in that country to renegotiate their debts to foreign lenders. The hope is that with a lower debt load, these companies can return to more normal operations.

In some cases, the foreign lenders are agreeing to collect less than 100 cents on the dollar. It is the first time that has

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## Libya Agrees to a Trial in The Hague

Agence France-Presse

TRIPOLI, Libya — Libya on Wednesday accepted a U.S.-British offer to try two Libyan suspects in the Lockerbie bombing in The Hague as long as there are no conditions, according to an official statement.

The Foreign Affairs Ministry announced the acceptance of the development that has taken place in the positions of the governments of the United States and the United Kingdom, which is what Libya has been demanding," the statement by the ministry said.

"Libya also insists on the need to put an end to sanctions imposed due to UN resolutions 748 and 883," the statement added, referring to economic and air travel sanctions in force since 1992.

London and Washington, which previously insisted that the two Libyan suspects for the 1988 bombing of Pan Am flight 103 be extradited to Britain or the United States for trial, decided Monday they could be tried in the Netherlands, under Scottish law.

Tripoli has been under UN sanctions for refusing to hand over the two suspects to London or Washington.

The bombing of Pan Am Flight 103 over Lockerbie, Scotland, in December 1988 killed 270 people on the plane and on the ground.

In agreeing to a trial in a third country, London and Washington have adopted an idea already floated by Libya for three years and supported by numerous other countries.

The Foreign Affairs Ministry

hopes that the American and British governments are sincere in their desire to definitively solve this problem," the Libyan statement said.

"The whole world can judge the sincerity of the United States and Great Britain," it added of the proposed trial, "according to whether the preparations are accompanied by conditions that would delay its taking place."

The Libyan announcement came as Ussama Baz, an advisor to President Hosni Mubarak of Egypt, was in Tripoli to discuss the U.S.-British offer with Libyan leader, Moammar Gadhafi.

Mr. Mubarak talked with Colonel Gadhafi by telephone Tuesday about the offer.

A number of Arab countries, including Egypt, have welcomed the proposal, and the head of the Arab League, Esmat Abdel Meguid, said Tuesday that he expected Tripoli to accept it.

The UN Security Council pressed ahead Wednesday with plans to pass a draft resolution on the Lockerbie bombing trial, despite a Libyan request for a delay.

"There is no decision to delay anything," the council president, Danilo Turk, said after a closed-door meeting. "We are proceeding with the resolution."

The Libyan chargé d'affaires Ramadan Barg had asked for a delay, saying more time was needed to study the proposal.

The draft resolution submitted by London and Washington pledges to

suspend six-year-old sanctions once the two Libyan suspects have been handed over to the Netherlands.

In London, the legal team for the suspects is to meet soon to work out a response to the U.S.-British proposal, one of the attorneys said.

Stephen Mitchell, a London-based lawyer for the two suspects, said the multinational team of lawyers from Scotland, Germany, the United States, Switzerland and Malta would meet in Libya within two weeks.

The ministry statement did not say when the accused might be transferred or when the trial might start.

Barbara Crossette of The New York Times reported earlier from the United Nations in New York:

Earlier Wednesday, in a letter to the Security Council, Mr. Barg, the Libyan chargé d'affaires, said that the country's judicial authorities needed "sufficient time" to study the proposal, which was formally made to Libya on Monday.

The request at the United Nations, had been seen by a number of diplomats here as an attempt by Colonel Gadhafi to avoid exposing intelligence agents to scrutiny in a foreign court, came in a plea to the Security Council to delay the passage of a resolution that would suspend sanctions on Libya when the two suspects were turned over for trial, but threaten to augment them if Libya rejected the deal.

Some Arab diplomats believed that

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## China Admits to Flood Mismanagement

Waters Have Killed 3,000 and Swept Away Foundations of River Control

By Erik Eckholm  
New York Times Service

BEIJING — As charges mount that poor planning and official neglect worsened the disastrous flooding in China this summer, the government has made the unusual admission that its land-use mistakes are partly to blame and announced sweeping policy changes.

Officials have clearly been shocked by the vast scale of damage in southern and northeastern China, where severe flooding persists. While the rains this year have been torrential, heavier rainfall in some other years has caused less flooding and damage.

In the last few weeks, the official press has carried increasingly sharp articles and editorials on the harmful effects of clear-cutting timber along the

upper reaches of the Yangtze River and the human invasion of vital wetlands along the river's course.

In private, some experts are making more pointed charges that, despite repeated warnings, the upkeep of important dikes along China's flood-prone rivers has been badly neglected.

At a government news conference on the floods Tuesday, Zhao Qizheng, chief of the State Council Information Office, said the government had decided to shut down logging activities in the upper catchments of the Yangtze River. The deforestation has led to more rapid runoff of rain waters and increased silt of rivers and lakes. He said all cleared areas would be replanted.

He also said that large areas of lakes and wetlands in the Yangtze flood plain, which have been drained to make farm-

land, would be restored to their natural condition.

These areas formerly absorbed huge volumes of water during flood periods.

"We have asked a lot of nature, and now we are returning what we have acquired," Mr. Zhao said.

[The official Xinhua press agency said Wednesday that the floods had killed more than 3,000 people across China this year and caused vast economic losses. Reuters reported from Beijing.

[Floods have submerged 21 million hectares (52 million acres) of land. Xinhua quoted a deputy prime minister, Wen Jiabao, as having told a committee of the Parliament. He put the cost of damage at 166.6 billion yuan (\$20 billion).]

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Newstand Prices	
Bahrain.....	1,000 BD
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Finland.....	12.00 FM
Great Britain.....	£ 0.95
Gibraltar.....	£ 0.95
Iran.....	10,000 IR
Israel.....	10,000 IL
Japan.....	¥ 1,000
Kenya.....	1,250 KSh
Malta.....	£ 1.00
Nigeria.....	1,250 Naira
Oman.....	1,250 OMR
Qatar.....	1,250 QR
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Switzerland.....	1,250 Sfr
Tanzania.....	1,250 TSh
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U.S. & Canada.....	\$ 1.20
Yemen.....	1,250 YR
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## Guerrillas Brush Off Afghanistan Bombing, Calling It a Motivation

By Raymond Bonner  
and Steve Levine  
New York Times Service

MANSEHRA, Pakistan — Guerrilla fighters who have trained at the camps hit by the U.S. missile strike on Afghanistan last week said Wednesday that the attack would not interfere with the training of Muslim revolutionaries there, nor would it harm their morale.

"It will further motivate people,"

said Bakht Zamin, a commander of a guerrilla unit that was trained in Afghanistan and is now fighting not far

Sudan has filed a lawsuit against the U.S. for its missile strike. Page 6.

from here, in Kashmir. "They consider it a matter of pride and a blessing of God to become a martyr."

He said the camps, which consisted of

mud huts and tents, could be rebuilt within a week.

The Clinton administration has said that the Afghanistan camps were part of a "terrorist network" run by Osama bin Laden, the man it accuses of responsibility for the bombings of the U.S. embassies in Kenya and Tanzania this month.

Mr. Zamin, a 42-year-old lawyer with an easy laugh, rejected the notion that he and his men were terrorists.

"We feel we are freedom fighters," he said, as he sat on the floor in a single-story house in the cornfields here and shared a breakfast of beans, yogurt and naan, a thick bread. A decade ago, Washington would also have considered him a freedom fighter — he was part of the CIA-backed mujahidin force fighting against the Russians in Afghanistan.

Underscoring the fact that the distinction between a freedom fighter and a terrorist depends on one's political plat-

form, two of the three camps struck by the U.S. missiles have been covertly supported in varying degrees by Pakistan's intelligence service, Western diplomats and Pakistani government officials said.

To some degree, Afghanistan has lured an amalgam of Muslim revolutionaries, united by a fundamentalist faith, in a way that Cuba attracted a

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## Safari in a Sub / Are There Organisms in the Earth's Crust?

## Diving Deep for Signs of Life Below the Ocean Floor

By Kathy Sawyer  
Washington Post Service

**A**BOARD DEEP SUBMERGENCE VEHICLE ALVIN — Wedged inside a titanium sphere in his stocking feet, the geophysicist H. Paul Johnson strained to peer out a 5-inch porthole into a midnight dreamscape a mile and a half below the surface swells of the eastern Pacific.

Mr. Johnson and Dudley Foster, the pilot of their three-person research submarine, had been at work on the sea floor for almost six hours in badlands of jumbled black rock, deep fissures and hot towering fumaroles where oases of color and life bloomed crazily in the pitch dark.

The explorers had just discovered a previously unknown field of hot springs, populated by long white tube worms tipped with jaunty red plumes, scatterings of pale sea sponges and cucumbers, snow-white drifts of bacterial colonies and predatory spider crabs that seemed to watch the intruders with wizened ancient faces.

But the researchers' quarry lay even deeper. On a safari of sorts, they were hunting the smallest, most elusive game imaginable, in one of the most hostile environments on the planet. They were on an expedition to test a provocative theory: that there is a vast, clandestine horde of microscopic organisms thriving deep below the sea floor in the Earth's crust.

Mounting evidence, including newly discovered fossil signs of rock-eating microbes living almost a mile beneath the ocean bottom, suggests that this zone is a giant incubator of life.

This dive was part of an unprecedented effort to trap cells, molecules, DNA and other telltale evidence swept up in heated fluids that well up from this underworld.

Inside the cramped life-support sphere of the 17-ton Alvin, Mr. Johnson, Mr. Foster and a Washington Post reporter had been lowered that morning from the mother ship, the research vessel Atlantis.

This was one of 15 deep-sea dives conducted during a 19-day cruise funded by the fledgling Life in Extreme Environments project of the National Science Foundation, the first such expedition with this theme as its major focus.

Atlantis would travel 1,125 miles (1,800 kilometers) during the hunt, criss-crossing a stretch of the undersea Juan de Fuca Ridge some 200 miles off the Oregon coast. The volcanically active ridge, where the landmarks have names like Hell, Inferno

and Ashes, is part of the 46,000-mile seam that girdles Earth like stitching on a baseball.

Here, the giant jigsaw plates of the outer shell pull apart and the planet's very heartbeat can be detected in pulses of sulfurous superheated water, flows of molten lava and swarms of seafumes.

The plumbing system of hot-water (hydrothermal) vents that follow the ridge line has been a major focus of research since the first vent field was discovered by an Alvin team (including Mr. Foster) in 1977. They found sooty black water gushing out at temperatures approaching 700 degrees Fahrenheit (370 degrees Centigrade).

Researchers were astonished to discover complex food chains built on ancient, previously unknown forms of heat-loving microorganisms that thrive in the perpetual night of the sea floor amidst the very elements of hell: fiery heat and brimstone (sulfur).

Scientists now regard these deep-sea hot spring systems as a tantalizing window into conditions that may have harbored primordial life forms on Earth billions of years ago, and may closely resemble the actual "garden of Eden" where Earth's first life emerged.

The findings helped revolutionize thinking about the nature of life and the ease with which it can arise on Earth, and on other worlds.

But even these bizarre sea floor oases were not deep enough for the researchers. If the theory is correct, said Mr. Johnson, there are microbes "infesting the pores" of the vast labyrinth beneath the ocean floor.

After years of scattered attempts, Mr. Johnson and his colleagues have launched a multiyear effort to capture the first definitive biological evidence from this mysterious world, to understand its diversity, its habitats and habits.

"We have just awakened to the possibilities. It's still a frontier," the biogeochemist James Cowen of the University of Hawaii, chief scientist of the July expedition, had said during a break on Atlantis's foredeck.

The strategy of the Life in Extreme Environments researchers may seem odd: they were searching for water in the depths of an ocean.

But not just any water would do. They were determined to isolate the particular fluids that had percolated downward toward the planet's molten interior. Now, in an altered state, the fluids were trickling, seeping or spewing back up again in high volumes, but at temperatures temperate enough to preserve biological evidence of the suspected microbial throngs far below.

"I call it small game hunting," said Stephen Giovannoni, an Oregon State



The submersible Alvin returning to its mother ship after diving to the seabed off the Oregon coast to collect samples from vents.

University microbiologist. "We've been talking about this for years, but nobody has ever done it before in this way."

**O**N SEVERAL dives, Alvin descended with hundreds of pounds of wet cement. The pilot was under pressure to make haste to the bottom, find the selected site in the murk and dump it on target before it set.

The cement was to serve as a seal, or "grout," to keep contaminants from the ocean proper out of the warm fluids welling up from below. Using Alvin's arm, the pilot would set into the cement foundation an instrument designed to filter out signs of sub-floor life. These samples would be collected by the researchers hours,

days, or a year later.

Shortly after the team's return to land, a lab would confirm the presence of DNA in some of the samples.

On this dive, the starboard view showed nothing but a dusty-looking, gray-black expanse, like a blank photo negative — the abyss. Then the sub turned to port and a scene of irrational color leaped out of the darkness — mottled oranges, browns, reds, whites, pinks — inches from the ports.

"Tube worms!" Mr. Johnson said. "Jesus, what a spot!"

They had fallen into exactly the site they had planned, a field of warm water springs to the south of a major vent field called Endeavour. Humans had explored this particular spot just once before, Mr. Johnson noted.

Mr. Foster quickly had Alvin's port

claw in motion, filling the air with the whine of tiny motors as he "clear cut" a semicircular patch in the tube-worm jungle and moved boulders to even out the rough ground.

Soon he had laid a concrete form and collected some worms for the biologists waiting on the surface. Nearby, he deployed another odd, experimental device: a small thermal "bio-blanket" with wires and a data collector attached.

Mr. Foster and Mr. Johnson worked intently down their list of tasks, using the floodlights sparingly to stretch Alvin's limited battery power. Occasionally, the dive coordinator on the mother ship would signal the sub, and Mr. Foster, his eyes glued to the front port, would reach behind him to key a rapid Morse code "B" for "busy," letting the surface know things were under control.

**A** LONG THE WAY, Mr. Johnson took a series of measurements intended to reveal regions where the rock below the sea floor was most porous and therefore provided the most habitable real estate for the team's quarry. To accomplish this, he had arranged for a complex gravity meter borrowed from the U.S. Navy's ballistic missile program to be installed inside the sub.

As they moved northward along the wall, the divers passed rock mounds resembling huge heads sporting what appeared to be dreadlocks, or giant powdered wigs.

Each strand was a tube worm up to a yard long. In some places, there appeared to be thousands of the animals, disappearing into the gloom. Just as plants grow toward sunlight, the worms apparently angle their plumes in the direction of the flow of hydrogen sulfide "food," giving each community a common angle of repose.

Reaching the main Endeavour field, the divers flew past a rusty chimney, a tower six stories high, with wing-like flanges, built up by minerals deposited out of a fountain of hot fluids from below.

Nearby, there was a shorter vent — a "black smoker" — that appeared to be puffing soot. (The colors of the vent emissions vary from scintillating clear, to gray, to black, even sometimes glowing like flame, depending on the temperature and pressure.)

By midafternoon, Mr. Johnson had completed his final measurement and Mr. Foster dropped ballast, announcing, "Weights away." Like the Wizard's balloon departing Oz, the sub began to rise slowly toward "home" — the mother ship.

## U.S. Indicts Cuban Exile Over Plot to Kill Castro

By Larry Rohter  
and Ann Louise Bardach  
New York Times Service

**SAN JUAN, Puerto Rico** — A leading member of the main Cuban exile organization in the United States has been indicted here along with six other men on charges that they conspired to assassinate President Fidel Castro of Cuba last year while he was on a visit to Venezuela.

The indictment said Jose Antonio Llamas, one of the 25-member inner circle that runs the organization — the Cuban-American National Foundation, — "obtained a 50-caliber rifle" and bought a boat for the conspirators and others who were not named.

The purpose, the document charged, was "to kill, with malice aforethought, Fidel Castro at a place outside the United States."

According to the seven-count indictment, the would-be assassins traveled in October to Isla Margarita, Venezuela, where Mr. Castro was to attend a meeting of Latin American leaders. Scouting for a location for the assassination attempt, it said, they picked a hilltop overlooking the airport.

That same month, four Cuban exiles were arrested on a cabin cruiser by the U.S. Coast Guard after one of them blurted out that they were on a voyage to kill Mr. Castro.

Federal investigators discovered that Mr. Llamas owned the vessel, which had departed from a private dock in Coral Gables, Florida.

The dock was owned by the business partner of another official of the Cuban-American National Foundation.

One of the sniper rifles found on the cabin cruiser was registered to Jose Francisco Hernandez, the foundation's president.

Mr. Hernandez was notified last year that he was a "target" of the U.S. investigation, a legal term that signified he could face indictment, officials said.

A lawyer for Mr. Hernandez held a news conference last week to say that he expected his client to be indicted. He denounced the prosecution as a politically motivated attack on the exile group.

The foundation has tax-exempt status and has maintained since its 1961 founding that it espouses peaceful means to bring political change in Cuba.

Mr. Hernandez was not indicted Tuesday. But a Justice Department official said that he was "not a minor player" in the affair and added that he was still under investigation, along with others whom the official did not identify.

Last week, lawyers for the foundation leaders predicted that their clients would be indicted on the relatively minor offense of infringing the Neutrality Act, whose ambiguous language makes obtaining a conviction difficult.

But the charges announced Tuesday were far more serious. They are based on a federal statute applying to the murder of an "internationally protected person," such as a head of state, and carries a maximum penalty of life in prison.

Mr. Llamas and Mr. Hernandez did not respond to requests for comment.

The Cuban-American National Foundation headquarters in Miami issued a statement saying its policy was "that violence is not the answer to the Cuban crisis."

## Mossad Borrowed Movie Plot, Paper Reports

Reuters

**JERUSALEM** — Inspired by the American film "The Manchurian Candidate," the Mossad, the Israeli intelligence agency, tried to brainwash a Palestinian 30 years ago to assassinate Yasser Arafat, an Israeli newspaper reported Wednesday.

The newspaper Ha'aretz said that the Palestinian was sent to an Arab country to shoot the Palestine Liberation Organization leader between the eyes. Ha'aretz said that the man immediately turned himself in and said the "crazy Israelis" had sent him.

But, Ha'aretz said, the Mossad case officers involved had always doubted their ability to brainwash. Anticipating a double cross, they had equipped the Palestinian with a

booby-trapped radio. A technical fault prevented the radio from exploding and killing Mr. Arafat, Ha'aretz said.

The plot was the brainchild in 1968 of the Israeli Navy's chief psychologist, Major Benjamin Shalit. He died 10 years ago, the newspaper said.

Ha'aretz said the plan was inspired by the 1962 film in which an American POW in Korea is brainwashed by a Soviet psychologist and sent home with a buried hypnotic suggestion that, when activated, turns him into a killer.

Mossad controllers spent months indoctrinating a 28-year-old Palestinian, jailed on suspicion of membership in Mr. Arafat's Fatah faction of the PLO, with the proposition that "Fatah is good but Arafat is bad for the Palestinians and should be eliminated," the newspaper said.

## Egypt Denies Abu Nidal Arrest

Reuters

**CAIRO** — Egypt on Wednesday stood by its earlier denials that it was holding Abu Nidal, the ailing Palestinian wanted in several countries for attacks that have included the killings of many moderate Palestinian leaders.

Reports this week have contended that Egypt arrested him. ABC News said Abu Nidal — whose alias means "Father of the Struggle" — and whose real name is said to be Sabri Banna — was in protective custody while receiving medical care.

An Interior Ministry official denied the report, adding, however, "We have no further information about this," after

security authorities denied earlier news articles last week.

Abu Nidal, who is widely reported to be dying of leukemia, heads the Fatah Revolutionary Council.

The Palestinian ambassador to Egypt, Mohammed Subeih, said he had no involvement with the Abu Nidal case. "It is a matter for the Egyptians," he said.

## Correction

A photo with the Page Two article on St. Hildegard von Bingen in Wednesday's editions should have been credited to David Crossland.

## TRAVEL UPDATE

## Northwest Cancels Many Flights

**EAGAN, Minnesota (AP)** — Northwest Airlines canceled several hundred flights Wednesday even as talks to avert a strike by pilots continued less than three days before the deadline.

"All we're saying is we're hopeful to reach a resolution and we're still talking," said Jim Faulkner, an airline spokesman. An Air Line Pilots Association spokesman echoed his comments, saying negotiations "are continuing and there has been no agreement."

The pilots union set a strike deadline of 0700 GMT Saturday. President Bill Clinton has the power to halt a strike for 60 days if it would deprive any section of the country of essential transportation service.

## Canada Pilots Cleared to Strike

**TORONTO (Reuters)** — Air Canada pilots are in a legal position to walk off the job Sept. 1 after the Canadian minister of labor released negotiators from conciliation talks aimed at reaching a contract settlement.

ways stated we would prefer a negotiated solution," said Captain Jean-Marc Belanger, chairman of the executive council of the pilots association at Air Canada, who added, "We do not want a strike."

Polluted beaches and towns are overshadowing Morocco's image as a key North African tourist destination. The 3,000 kilometers (1,860 miles) of coastline and many historical sites and monuments attract about 2 million tourists a year to the country. But several beaches were too "unclean" for bathing, 21 percent were polluted and 50 percent were of "mediocre quality," according to a recent government report.

Authorities should show no mercy when cab drivers overcharge foreign customers, according to Timotheos Lyberopoulos, head of a taxi drivers association in Athens. The city has experienced a spate of overcharging. Last week one driver charged an Australian tourist 25 times the normal fare for a ride into town from the airport.

Comoros Air Service said Wednesday that the civil aviation authority had ordered it to suspend flights between Njazidja, also known as Grand-Comore, and Nzwani, also known as Anjouan, which declared its independence last year from the small Indian Ocean island state. With no way over the water, people on Nzwani, including tourists, are stranded. (Reuters)

Complaints by British rail passengers soared 103 percent, to a record 19,792, between 1996-97 and 1997-98, according to a watchdog group. The Central Rail Users' Consultative Committee said "lack of consistency and reliability" was the chief problem. Complaints included poor punctuality, information at stations and train reliability. (Reuters)

## DEATH NOTICE

**RICHARD (DICK) BORABACK** died on Aug. 22 aged 68 at Woodland Hills, California after long struggle with cancer. A former sports editor & columnist for the International Herald Tribune between 1977 & 1979 & later writer for the Los Angeles Times, he is survived by his wife Dorothy daughter Amanda & son Richard. A remembrance service is to be held Sept. 27 at Forest Lawn, Glendale.

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GERMANY (M) / MARK	2.700	2.700	0.00
GREAT BRITAIN (P) / POUND	2.700	2.700	0.00
HONG KONG (HK\$) / DOLLAR	2.700	2.700	0.00
ITALY (L) / LIRA	2.700	2.700	0.00
JAPAN (Y) / YEN	2.700	2.700	0.00
NORWAY (NOK) / KRONER	2.700	2.700	0.00
NETHERLANDS (G) / GILDER	2.700	2.700	0.00
SPAIN (PES) / PESETA	2.700	2.700	0.00
SWEDEN (S) / KRONA	2.700	2.700	0.00
SWITZERLAND (CHF) / FRANC	2.700	2.700	0.00
USA (US\$) / DOLLAR	2.700	2.700	0.00

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST NEWS OFFICE

## WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe	High	Low	High	Low	High	Low
Algeria	24/28	18/21	24/28	18/21	24/28	18/21
Amsterdam	14/27	7/14	14/27	7/14	14/27	7/14
Antwerp	14/27	7/14	14/27	7/14	14/27	7/14
Athens	24/28	18/21	24/28	18/21	24/28	18/21
Birmingham	14/27	7/14	14/27	7/14	14/27	7/14
Bombay	30/38	24/27	30/38	24/27	30/38	24/27
Buenos Aires	24/28	18/21	24/28	18/21	24/28	18/21
Calcutta	30/38	24/27	30/38	24/27	30/38	24/27
Chennai	30/38	24/27	30/38	24/27	30/38	24/27
Copenhagen	14/27	7/14	14/27	7/14	14/27	7/14
Dublin	14/27	7/14	14/27	7/14	14/27	7/14
Edinburgh	14/27	7/14	14/27	7/14	14/27	7/14
Helsinki	14/27	7/14	14/27	7/14	14/27	7/14
London	14/27	7/14	14/27	7/14	14/27	7/14
Madrid	24/28	18/21	24/28	18/21	24/28	18/21
Moscow	14/27	7/14	14/27	7/14	14/27	7/14
Mumbai	30/38	24/27	30/38	24/27	30/38	24/27
New Delhi	30/38	24/27	30/38	24/27	30/38	24/27
Osaka	24/28	18/21	24/28	18/21	24/28	18/21
Paris	14/27	7/14	14/27	7/14	14/27	7/14
Rangoon	30/38	24/27	30/38	24/27	30/38	24/27
Seoul	24/28	18/21	24/28	18/21	24/28	18/21
Shanghai	24/28	18/21	24/28	18/21	24/28	18/21
Singapore	30/38	24/27	30/38	24/27	30/38	24/27
Tokyo	24/28	18/21	24/28	18/21	24/28	18/21
Yokohama	24/28	18/21	24/28	18/21	24/28	18/21

Maps, forecasts and data provided by AccuWeather, Inc. 61066 - http://www.accuweather.com

North America	High	Low	High	Low	High	Low
Albuquerque	19/25	10/17	19/25	10/17	19/25	10/17
Atlanta	24/28	18/21	24/28	18/21	24/28	18/21
Boston	14/27	7/14	14/27	7/14	14/27	7/14
Chicago	14/27	7/14	14/27	7/14	14/27	7/14
Dallas	24/28	18/21	24/28	18/21	24/28	18/21
Denver	14/27	7/14	14/27	7/14	14/27	7/14
Detroit	14/27	7/14	14/27	7/14	14/27	7/14
Houston	24/28	18/21	24/28	18/21	24/28	18/21
Los Angeles	24/28	18/21	24/28	18/21	24/28	18/21
Miami	24/28	18/21	24/28	18/21	24/28	18/21
New York	14/27	7/14	14/27	7/14	14/27	7/14
San Francisco	14/27	7/14	14/27	7/14	14/27	7/14
Seattle	14/27	7/14	14/27	7/14	14/27	7/14
Washington	14/27	7/14	14/27	7/14	14/27	7/14

Legend: S=Strong, p=partly cloudy, c=cloudy, m=mostly, h=heavy rain, dr=drizzle, f=fog, sh=snow, fl=flooding, H=high, W=wind.

## Asia

	Today	High	Low	W	Th	F
	CH	CH	CH	CH	CH	CH
Algeria	24/28	18/21	24/28	18/21	24/28	18/21
Amsterdam	14/27	7/14	14/27	7/14	14/27	7/14
Antwerp	14/27	7/14	14/27	7/14	14/27	7/14
Athens	24/28	18/21	24/28	18/21	24/28	18/21
Birmingham	14/27	7/14	14/27	7/14	14/27	7/14
Bombay	30/38	24/27	30/38	24/27	30/38	24/27
Buenos Aires	24/28	18/21	24/28	18/21	24/28	18/21
Calcutta	30/38	24/27	30/38	24/27	30/38	24/27
Chennai	30/38	24/27	30/38	24/27	30/38	24/27
Copenhagen	14/27	7/14	14/27	7/14	14/27	7/14
Dublin	14/27	7/14	14/27	7/14	14/27	7/14
Frankfurt	14/27	7/14	14/27	7/14	14/27	7/14
Hamburg	14/27	7/14	14/27	7/14	14/27	7/14
London	14/27	7/14	14/27	7/14	14/27	7/14
Lyons	14/27	7/14	14/27	7/14	14/27	7/14
Madrid	14/27	7/14	14/27	7/14	14/27	7/14
Moscow	14/27	7/14	14/27	7/14	14/27	7/14
Munich	14/27	7/14	14/27	7/14	14/27	7/14
Nairobi	14/27	7/14	14/27	7/14	14/27	7/14
Paris	14/27	7/14	14/27	7/14	14/27	7/14
Rangoon	14/27	7/14	14/27	7/14	14/27	7/14
Rome	14/27	7/14	14/27	7/14	14/27	7/14
Singapore	14/27	7/14	14/27	7/14	14/27	7/14
Stockholm	14/27	7/14	14/27	7/14	14/27	7/14
Tokyo	14/27	7/14	14/27	7/14	14/27	7/14
Vienna	14/27	7/14	14/27	7/14	14/27	7/14



## THE AMERICAS

# Top House Democrat Talks of Impeachment

Gephardt Repeats His Criticism of Clinton As Party Members Say Scandal Is Not Over

By Ceci Connolly  
Washington Post Service

SCRANTON, Pennsylvania — Representative Richard Gephardt of Missouri, the leader of President Bill Clinton's party in the House, said on Tuesday that impeachment of Mr. Clinton could not be ruled out if the facts warranted it.

Mr. Gephardt repeated his criticism of Mr. Clinton for his behavior with the young intern Monica Lewinsky.

Impeaching the president would in effect override the election of 1996, the House Democrats said, but "that doesn't mean it can't be done or shouldn't be done. You just better be sure you do it the right way."

Mr. Gephardt said that if Mr. Clinton were to leave office, "we'll get through this."

In a series of campaign appearances and press interviews, Mr. Gephardt sent a not-too-subtle signal to the White House that he could not be counted on to back the president blindly.

"If Congress decides to go forward with an impeachment process, we will be involved in perhaps the most important task the Congress will ever have," he said during a stop here. "We have to, under the Constitution, carefully examine the facts and then make a judgment on whether or not he should be expelled from office."

Gephardt spent Monday talking with House Democrats about their concerns over the effects of the presidential scandal.

Administration aides urged Democrats in Congress to declare the scandal over after Mr. Clinton admitted his "inappropriate relationship" with Ms. Lewinsky.

But few congressional Democrats have done that in the week since the speech, and many have been openly critical of the president for the relationship and his handling of it.

According to congressional aides, the House members who spoke to Mr. Gephardt on Monday said they were "upset, disappointed, angry" with Mr. Clinton's speech and were "not willing to say this is over."

Several told Mr. Gephardt that it was a problem for the party that Mr. Clinton had not cleared the air with a "more definitive" explanation, the aides said. Aboard his plane on Tuesday, Mr. Gephardt said, "There's going to be a lot more said and written about it before we're done."

Mr. Gephardt said he had not spoken to Mr. Clinton since the president's speech. The two men have never been close, and Mr. Gephardt never disguised his disapproval of Mr. Clinton's sexual behavior.

"I'm very disappointed in what he did," Mr. Gephardt said, echoing comments he made immediately following Mr. Clinton's speech. "There is no way to condone his behavior, the whole totality of what happened in the White House, and what he said about it afterward."

Mr. Gephardt is a prospective presidential candidate in 2000. He was on a three-day campaign swing to help some of the party's most promising House candidates. But he and the candidates he stopped with had to spend much of the day fielding questions about the scandal.

## Party Chairman Feels Conflicted

Dan Banz of The Washington Post filed this report on another major leader of the Democratic Party:

Roy Romer, the governor of Colorado and the national chairman of the Democratic Party, said that the presidential scandal had thrust him face-to-face with the conflicting obligations of loyalty, advocacy and credibility.

Mr. Romer spilled out his feelings in an interview on Tuesday about the events of the past week and the challenges ahead. Mr. Romer talked about the failure of Mr. Clinton's speech to clear the air, Mr. Romer's determination not to let the investigation overwhelm the Democratic message this autumn

and his conviction that frank talk about the president's situation, not political spin, was the only safe course.

"We've got to get beyond this," he said. "But the speech" — and there was an audible sigh as he continued — "didn't quite do it. And it didn't because it sounded like too much explanation."

Those are words Mr. Romer knows will cause anxiety among some supporters of Mr. Clinton, so with the next breath he sought to leave no doubt that he included himself in that camp. "I've got to tell you, I care deeply about him," Mr. Romer said of Mr. Clinton. "He's a really good human being. He's got a lot of gifts. He's got a lot of great talent, and I just want to be a part of getting that to work again."

Few Democrats are in as difficult a position as Mr. Romer, who must lead the defense of the president and rally his party for the midterm elections. He thinks that blind loyalty to the president might lack credibility at the moment.



Bill Clinton on Walter Cronkite's boat in Edgartown, Massachusetts.

## POLITICAL NOTES

### Food-Safety Agency Sought

WASHINGTON — President Bill Clinton has signed an executive order calling for a new interagency council to coordinate the dozen or so federal offices that assure the safety of the nation's food supply.

The move Tuesday came less than a week after the release of a National Academy of Sciences report that criticized the patchwork nature of the current system. That report called for the establishment of a single, powerful food safety authority — either an individual person or a new agency — to oversee food safety.

While many advocates applauded the call for a centralized authority, they also expressed doubts that such a change would win the congressional approval that would be necessary, given the food industry's opposition to the plan and Congress's inaction on other food safety initiatives already before it.

The president's decision to establish a Council on Food Safety represents about as much as he can do on his own without congressional action, observers said. (WP)

### New Inquiry in King Slaying

WASHINGTON — Attorney General Janet Reno ordered Wednesday a limited Justice Department review of the assassination of Martin Luther King Jr., the civil rights leader, in 1968.

"The evidence gathered by the inquiry will be followed wherever it may lead," a Justice Department announcement said.

But it cautioned that, even if proved true, some allegations may not be prosecutable because federal statutes of limitations may have lapsed.

The review is more limited than the national commission sought by the King family, whose members have expressed doubts about the official version — that James Earl Ray, acting alone, shot Mr. King on the balcony of a motel in Memphis, Tennessee, on April 4, 1968.

The Justice Department said the review would examine two new allegations not covered by federal inquiries that blamed the assassination on Mr. Ray.

Mr. Ray died in prison this year while serving a life term for the killing, but had long ago disavowed his confession and spent years futilely seeking a new trial. (AP)

### Quote/Unquote

Stuart Rothenberg, a political analyst in Washington, as Vice President Al Gore begins making public appearances after his vacation: "He has to walk a fine line, the nature of which is pretty clear. Bill Clinton has been Al Gore's No. 1 benefactor. He is also the No. 1 reason Al Gore is the heavy favorite to become the party nominee for president. So he needs to remain loyal to the president but at the same time maintain a separate identity to avoid the appearance he is Bill Clinton's ready." (NYT)

## Threat to Gains by Blacks Seen at Southern Colleges

By Rene Sanchez  
Washington Post Service

WASHINGTON — On many college campuses in the South, the percentage of black students enrolling is in decline after years of gains, and their likelihood of graduating is no better than it was when the region first desegregated universities decades ago, a new study concludes.

The report, which was released by the nonprofit Southern Education Foundation, presents a damning assessment of the status of black students in higher education throughout the South. It also contends that leaders in some Southern states are becoming less interested in advancing racial equity on public campuses.

"What progress has been made is halting, and this progress, modest and uneven as it has been, is now threatened," the report, issued Tuesday, asserts.

Its conclusions echo those found recently in other similar studies, but its scope and findings are more comprehensive.

The 19 Southern states studied account for more than half of all the black students enrolled in college in the United States and nearly three-fourths

of the nation's black freshmen attending public universities.

In Virginia, black enrollment has dropped from about 20 percent to 17 percent. In Maryland, which has one of the highest rates of black students among the states reviewed, enrollment has dropped from about 31 percent to 29 percent.

Even though the number of black students in the South who attend college has increased in the past two decades, their representation as a percentage of college students in various Southern states is either largely flat or beginning to decline.

The report contends that in nine of the 19 states studied, the proportion of college-age black adults attending public universities has declined in this decade.

Also, the percentage of blacks who are earning bachelor's degrees in Southern colleges is stagnant, and it is still far from matching the rate of whites.

Blacks account for 20 percent of the college-age population in the South, yet they make up only 10 percent of those who receive bachelor's degrees. Whites, on the other hand, constitute 68 percent of the college-age population in the region but make up 80 percent of graduates.

### Short Takes

Once, getting the car washed was simply a chore to be done. Now it has become The Cool Thing to Do. Taking their cue from those highly successful bookstore chains and coffeehouses, some car washes now offer espresso or fresh juice bars. The Atlanta Journal-Constitution reports.

Others provide dry-cleaning services, even mini-massages. The trend is clear: There are 75,000 car washes in America, 14 percent more than a year ago, with \$18.2 billion in annual sales.

At the chic Auto Boutique in suburban Atlanta, customers sit under umbrellas on an outdoor deck, prop their feet up and sip gourmet coffee while college kids hand-wash their Cherokees or Explorers. "I guess you could say there are bars to be seen in," said Paula Rodgers, 34, as she watched her Lexus SC400 being waxed. "This would be the car wash to be seen in."

Brian Knowlton

## Congress Studies History For a Punishment Short Of Removal From Office

By Michael Kranish  
The Boston Globe Service

WASHINGTON — As Congress prepares to receive a report on President Bill Clinton by Kenneth Starr, the independent counsel, some members are studying a little-known case: the Senate's 1834 censure of President Andrew Jackson.

The idea of censuring Mr. Clinton has gained favor among some Republicans and Democrats partly because polls show most Americans oppose impeachment, but it carries no penalty.

The idea may be even more appealing to Democrats than to Republicans. Democratic leaders are concerned that the president's admission of an "inappropriate" relationship with the former White House intern Monica Lewinsky could hurt the party's effort to regain control of the House in the November elections.

Even before Mr. Clinton's televised admission last week, Senator Joseph Lieberman, a Connecticut Democrat, called censure "a distinct possibility." He said, "You can sense as you listen not just to Democrats but also to Republicans that there is not a great yearning for an impeachment here."

The staff of the House Judiciary Committee has already begun studying alternatives to impeachment. This is the committee that would hold any impeachment investigation and hearings after receiving Mr. Starr's report. Staff members have found that the House and Senate have applied a number of penalties to members of Congress, including the gradations of reprimand, denunciation, censure and condemnation, before escalating to expulsion, disqualification or impeachment.

In 1834, President Jackson, a Democrat, vetoed legislation that would have extended the life of the Bank of the United States. Jackson thought the bank catered to Eastern elitists. When the Whig Party asked for documents relating to the veto, Jackson refused to turn them over.

The Senate then voted to censure Jackson. But Jackson, aware that he had the support of the Democratic majority in the House, told the Senate it had no constitutional power to censure him.

"I have lived in vain if it be necessary to enter into a formal vindication of my character," Jackson said.

After the Democrats gained control of the Senate in 1836, the Senate voted

to expunge Jackson's censure from the record.

In recent years, some members of Congress have recovered from similar punishment. Former Representative Gerry Studds, a Massachusetts Democrat, was censured in 1983 for his relationship with a boy who was a Senate page. Mr. Studds went on to be re-elected. Representative Barney Frank, a Massachusetts Democrat, was reprimanded in 1990 for writing a misleading memo in an effort to end a friend's probation on prostitution charges. Mr. Frank also allowed his House privileges to be used for waiving parking tickets. Mr. Frank remains in office. In fact, he sits on the House Judiciary Committee.

Jim Jordan, the Democratic spokesman of the House Judiciary Committee, said that censure might be "a logical political resolution of all of this."

If Mr. Starr's report does not "dictate removal of the president," Congress may be looking for a means "to voice disapproval for the president's behavior without impeachment," he said.

## Away From Politics

• A 1996 crash in Northern California that killed 10 crewmen aboard an Oregon-based Air Force Reserve C-130 transport plane was the fault of the crew, which had allowed the plane to run out of fuel, an investigation concluded. (AP)

• Pennsylvania prison officials must stop reading mail between a condemned journalist, Mumia Abu-Jamal, and his lawyer, and let him write professionally while he is on death row, a federal appeals court ruled. (AP)

• Sixty-nine Americans taking Viagra died between late March and July, with 46 of these cases linked to cardiovascular incidents, according to the Food and Drug Administration. Stressing that it was not signaling a change in its view on the anti-impotence drug's safety, the agency said it would continue to evaluate the need for regulatory action. (AP)

• The Philadelphia Inquirer has fired a reporter who sued the newspaper alleging it had defamed his reputation, his lawyer said. The reporter, Ralph Cipriano, says his reputation was sullied when an inquirer editor claimed his reporting on the Philadelphia Archdiocese was not objective. (AP)

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## AMERICAN TOPICS

### On Net, Wandering Eyes Find More Than Just Chat

Dear Abby, the advice column, was one of the first to take note of the trend. Now divorce lawyers confirm it: Internet romances are killing marriages.

Men and women, feeling stifled by uncommunicative spouses, reach across cyberspace for company; friendly words can lead to more. "Never in my wildest dreams would I ever have imagined I would be going through this," said Deborah Brown, 38, who left Florida and her husband of 13 years to marry a Maryland man she met on-line.

The workplace still ranks No. 1 for extramarital encounters, divorce law-

yers say, but computers are moving up fast. Divorce cases stemming from relationships begun over the Internet started showing up two or three years ago. "I hadn't even thought about it," said Jennifer Harrington, a lawyer in Clearwater, Florida, "and all of a sudden, boom, it's the reason for divorce."

Internet romances are fueled by the anonymity of the medium: On-line, double chins and unwashed T-shirts don't matter. Conversations can be held out of sight of neighbors or co-workers. "You can say anything you want without having to be face-to-face," Jill Jones, 41, of Atlanta, told The St. Petersburg Times in Florida. "That cuts down on a lot of taboos and barriers." She and her husband, Keith, met on-line, then left their spouses for each other.

But anonymity has its dark side. "You don't have any idea who's talking" when on-line, said Ellen Ostman, a lawyer in Tampa, Florida. "It could be the man of your dreams — or the hunchback of Notre Dame."

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## ASIA/PACIFIC

# U.S. Warns North Korea On Underground Project

But It Says Mystery Site Won't Imperil Accord

By Dana Priest  
Washington Post Service

WASHINGTON — The United States has informed North Korea that it objects strongly to that country's construction of a vast underground nuclear facility, which U.S. intelligence analysts say is being dug in a mountainside near a former nuclear research center at Yongbyon.

However, U.S. officials added, because the precise nature of the project is not yet known, the United States does not intend to abandon a 1994 framework agreement with North Korea.

Under that accord, North Korea pledged to freeze and eventually dismantle its nuclear program in exchange for a promise of billions of dollars in aid and help to build two nuclear power plants.

The officials said the U.S. position was conveyed to the North Koreans by Charles Kartman, a special envoy on nuclear affairs, during three days of talks in New York.

The talks, which began Friday, were

suspended Tuesday night. Officials said the U.S. delegation was returning to Washington for consultations.

The Americans were said to have told the North Koreans that the tunneling at Yongbyon was "not acceptable to the United States," as well as any other activities that would permit North Korea to restart its nuclear program at a moment's notice.

About 15,000 North Koreans are working at the underground site where, experts have concluded, they intend to construct either a nuclear reactor or a nuclear materials processing plant.

But the North Koreans have not yet begun work on a reactor or a processing plant, the officials said.

Washington has concluded that the underground facility is not sufficient cause to break the 1994 nuclear agreement and it has not given the North Koreans a deadline to stop work at the site.

"Terminating the agreement gives them the ability to restart existing facilities, which could begin producing nuclear weapons within months," a senior U.S. official said.

The new facilities, he added, would take five years or more to complete.

In July, key members of Congress on the national security committees asked the administration for classified briefings on the subject after the administration publicly denied the existence of evidence that North Korea was not abiding by the agreement.

The denials contradicted previous closed briefings about the site to at least one senior member of Congress by officials of the National Security Council.

On Aug. 4, a select House panel was briefed by a blue ribbon delegation.

The briefing lasted two hours and included some heated exchanges, according to people in attendance.

During the meeting in New York, the U.S. team told the North Koreans that the U.S. government was committed to the agreed framework, including reconsidering sanctions now imposed on the country and delivering \$500 million worth of fuel oil to North Korea until the two nuclear reactors were completed.



HONG KONG VIGIL — Protests at the Indonesian Consulate condemning the rape of ethnic Chinese in Jakarta riots.

## Party Quits Pakistan Coalition

KARACHI, Pakistan — A key political party quit its alliance with Prime Minister Mian Nawaz Sharif on Wednesday, threatening the existence of the governing coalition in the volatile southern province of Sindh.

The Muttahida National Movement draws its main support in the port city of Karachi, which is also the commercial hub of Pakistan and the capital of Sindh. The party said it would end its 19-month alliance with Mr. Sharif's Pakistan Muslim League both at the federal and provincial levels.

The Muttahida National Movement's departure poses no threat to Mr. Sharif's federal government, which has a big majority in the national Parliament. But in the 109-seat Sindh provincial assembly, his Muslim League, which leads the provincial coalition, has only 16 seats, compared with 35 for the Pakistan People's Party of former Prime Minister Benazir Bhutto and 28 for the Muttahida National Movement. (Reuters)

## Another Water Scare in Sydney

SYDNEY — Parasites invaded the water supply for the second time in a month, forcing officials on Wednesday to advise 3 million Sydneysiders to boil their tap water. The director-general of the New South Wales Health

Department, Mick Reid, said the parasites giardia and cryptosporidium had been detected in the city's water.

"I'm terribly concerned," he said. "This is a major decision, to advise all Sydney residents, or a large component of Sydney residents, to boil their water."

Sydney Water said dead dogs in open canals had been responsible for the outbreak of giardia last month. The water was unfit to drink for a week. Mr. Reid said the levels of cryptosporidium detected this time were higher. (AFP)

## Army Seals Off Burma Shrine

RANGOON, Burma — The military government barricaded Burma's most sacred Buddhist shrine Wednesday, witnesses said. It was the 10th anniversary of a speech by the opposition leader Aung San Suu Kyi that touched off a popular uprising.

Security forces closed all entrances to the Shwedagon Pagoda and fenced off the surrounding area, the witnesses said. Diplomats in the capital said the aim was apparently to prevent commemorations of the 1988 uprising for democracy. The military rulers crushed that uprising at a cost of several thousand lives, according to most independent estimates.

Diplomats said the official explanation given for closing the pagoda was "special cleaning." Security policemen armed with batons were stationed at each of its four main gates. (Reuters)

# U.S. Reports Progress in Talks With Pakistan

Reuters

ISLAMABAD, Pakistan — Talks between American and Pakistani officials in London to head off a potential nuclear arms race in South Asia were positive and also lent backing to an early international financing package for Pakistan, according to a joint statement made available here on Wednesday.

The statement said that a meeting between Deputy Secretary of State Strobe Talbott and the Pakistani foreign minister, Shahnshad Ahmad, had been "serious, substantive and constructive."

The statement, issued in London, said both sides had called for an early resumption of Pakistan-India talks and that the United States also expressed support for a swift International Monetary Fund agreement to ease Pakistan's current economic difficulties.

The statement said that "recent developments were discussed," without detailing mentioning the uproar caused in Pakistan by the U.S. cruise missile attack last week against suspected terrorist camps in Afghanistan and also an alleged chemical-weapons laboratory site in Sudan.

Earlier this week, Pakistan lodged a formal protest with the United Nations that the United States had violated Pakistani airspace for the attacks on militants in Afghanistan.

It said the United States also expressed support for an early agreement between Pakistan, the International Monetary Fund and members of the Paris Club, grouping major lenders. Pakistan seeks a \$3 billion package to avert a balance of payments crisis and a default on its \$30 billion in debts.

The United States imposed economic sanctions on Pakistan and India after they conducted nuclear explosions in May. The move tipped Pakistan's fragile economy into crisis as foreign capital inflows dried up.

The statement said that Kashmir, the Himalayan region disputed by India and Pakistan, had been discussed.

# Bomb Threat Proves a Hoax

Reuters

SINGAPORE — The U.S. Embassy here received a bomb threat on Wednesday, an embassy spokesman said. "An embassy switchboard operator received a telephoned bomb threat," he said.

Other sources said a search uncovered no bomb.

A Singaporean police spokesman said he had received no information on the incident.

Security at U.S. establishments worldwide has been stepped up after U.S. embassies in Kenya and Tanzania were bombed by unknown persons and after the United States staged cruise missile attacks in Sudan and Afghanistan.

# E.G. Marshall, 84, Actor Who Portrayed Dignity in Films, Plays and TV, Dies

New York Times Service

NEW YORK — E.G. Marshall, 84, a character actor who projected the image of a knowledgeable professional or elder statesman in plays, films and television, died Monday in Bedford, N.Y.

Mr. Marshall, an articulate, witty man with intense eyes and sharp features, earned prominence in two weekly hour-long television series that had both artistic merit and wide popularity: "The Defenders," which ran from 1961 to 1965, and "The New Doctors," from 1969 to 1973.

He won Emmy Awards in 1962 and 1963 for playing the father and senior partner in the law firm Preston & Preston in "The Defenders."

Then, in "The New Doctors," Mr. Marshall played the heroic chief of a hospital research institute dedicated to achieving scientific breakthroughs.

In later television specials, his humane persona glowed in portrayals of two presidents, Harry S. Truman in "Collision Course" (1976) and Dwight D. Eisenhower in "Ike" (1986).

His score of films included "The Caine Mutiny" (1954), "The Bachelor Party" (1957) and "Tora! Tora! Tora!" (1970).

On Broadway, he appeared in "The Skin of Our Teeth" (1942), "Jacobowsky and the Colonel" (1944) and "Red Roses for Me" (1956).

Though a charter member of the Actors Studio, Mr. Marshall denied using any specific acting method. "I use anything that helps me," he said in 1978.

E.G. Marshall was born June 18, 1914, in Owatonna, Minnesota, to a family that had come from Norway. In interviews, he was informative about

every subject except his background.

Published records listed his birth date as June 18, 1910, but in a 1997 interview with The Associated Press he insisted that he was born in 1914.

Writers speculated that his first name might be Everett, while he whimsically suggested that his initials might, or might not, stand for "Edda Gunnar" or "Enigma Gregarious."

He attended Carleton College and the University of Minnesota.

Floyd Haskell, 82, Ex-Senator Who Championed Tax Reform

New York Times Service

WASHINGTON — Floyd K. Haskell, 82, whose tall frame and rugged good looks made him seem chiseled for his role as a U.S. senator but who never felt quite comfortable in the part, died Tuesday in Washington.

Cokie Roberts, an ABC News correspondent and a friend of the family,

said the cause of death was pneumonia, a complication that arose from a brain hemorrhage that Mr. Haskell suffered four years ago when he slipped on an icy sidewalk.

The former Democratic senator from Colorado was vacationing in Maine with his wife, Nina Totenberg, a legal affairs correspondent for National Public Radio and ABC's "Nightline" program, when his condition deteriorated.

By the end of his term, he had carved

out a niche as a tax reformer and advocate for the environment.

Dr. Francesco Cruciani, 67, Vatican physician for the pope, Wednesday of cancer in Rome. (AP)

Chey Jong Hyeon, 68, owner and chairman of SK Group, the fifth-largest South Korean conglomerate, Wednesday in Seoul. (AP)

# Dick Roraback, 68, Writer and Editor in Paris and Los Angeles

Los Angeles Times Service

LOS ANGELES — Dick Roraback, 68, a feature writer and copy editor for the Los Angeles Times for 22 years until he retired in 1995, died Saturday of throat cancer after a yearlong battle.

Mr. Roraback was sports editor of the International Herald Tribune from 1957 to 1972. His verse ode to an expatriate's longing for baseball, "The Crack of a Bat," is reprinted by that paper every year around opening day.

An adventurous soul during his early

years in Paris, Mr. Roraback helped refugees escape from Hungary after the 1956 uprising against Communist rule.

He was captured by Hungarian authorities and imprisoned for several weeks until the U.S. State Department negotiated his release.

He returned to the United States at that time but was soon drawn back to Paris, as he put it, "by hearing an Edith Piaf song."

His account of how he started working for the Tribune was equally whimsical: In 1957, while he was a student at the Sorbonne, he would read the paper at a sidewalk café. When he got to the sports page, he was constantly so appalled at the quality of the writing and layout, as he often said, that he finally wrote a letter of complaint to the paper.

An editor wrote back to say that if Mr. Roraback thought he could do better, he should drop by for a chat. He did, and was hired. In later years, after he left the sports

desk, Mr. Roraback wrote a highly personal and comic column on the back page of the Herald Tribune. It was full of word play, arcane jokes and such competitions as traveling the entire Paris subway system in the shortest possible time.

In a series of articles in 1971 he retraced 100 years later the journey of the newspaperman Henry Morton Stanley to find the missionary David Livingstone in central Africa.

Mr. Roraback moved to Los Angeles

in 1972 and joined The Times the following year.

A felicitous writer, he followed the route of the Los Angeles River in a 1985 series, recounting its history to residents of the city who scarcely know the river is there.

He was a graduate of Dartmouth College and the Sorbonne in literature and history. He served as a U.S. Navy lieutenant in the Korean War and later as a Lutheran Church missionary to refugees in Jerusalem in the 1950s.

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## EUROPE

## 3 Aid Workers Are Killed in Kosovo

**KUJEVO, Serbia** — Three people bringing supplies to Kosovo Albanian refugees have been killed by gunfire from a police vehicle in what appears to be the most serious government effort yet to harass aid workers.

The three, all ethnic Albanians working for the Mother Teresa relief organization, were killed Monday as they rode on tractors pulling wagons loaded with supplies for some of the refugees who have fled a military offensive in Kosovo.

The number of refugees has grown to about 300,000.

The wagons were piled with food and white boxes with large blue circles bearing the name of the donor, Doctors of the World.

Still, a government statement explained the shooting by saying the police in an armored personnel carrier could not see what was in the wagons and became suspicious and opened fire.

The attack occurred in a field at mid-afternoon in the village of Vlaski Drenovac.

The three slain aid workers were local representatives of the Mother Teresa

group, which handles distribution of international supplies.

The attack seems to confirm the suspicions of many relief workers that the government has decided to make distributing food and other aid more dangerous, both for the aid workers and the refugees.

The Yugoslav government's military offensive, which began five weeks ago, has hurt the rebels, but it has brought disaster to civilians.

International relief workers estimate as many as 20,000 homes have been damaged or destroyed by the advancing forces.

With troops continuing to shell and burn villages, most refugees are afraid to return home or have no homes left.

Getting adequate supplies to many of the civilians has been impossible because they have scattered into small groups in remote areas to avoid government attacks.

The killings on Monday seem to follow a pattern established as soon as the military offensive began. In the early stages, the government refused to allow relief convoys to go to many areas where civilians were fleeing.

Now, under Western pressure, the

government has relented somewhat on restricting access, while tightening control in other ways.

It has blocked imports of some supplies, and delayed by weeks entry visas for additional staff members aid agencies say they need.

The police are also harassing local employees of the agencies, foreigners report.

"All in all, we are barely staggering by already, and when they start shooting our people, that turns everything black," said an aid official.

For two weeks, aid workers have said they thought Belgrade might be trying to intimidate refugees to keep them away from places where supplies were distributed.

The workers said villagers have told them that after a delivery of supplies, the government troops often shelled nearby villages.

"It sounded like paranoia at first, but we looked a little closer and it did not seem crazy," said a senior official for a nonprofit aid agency. "There is a lot of shelling so you can't be absolutely sure, but if you look at where the supply convoys go and then see what happens the next day or so, you begin to see a pattern."

Some foreign diplomats in Yugoslavia say they believe Belgrade's strategy is to make civilians pay a high cost for their support of the rebels, known as the Kosovo Liberation Army.

Kosovo is a province of Serbia, one of the two republics that make up what remains of Yugoslavia. The other is Montenegro.

Ethnic Albanians are about 90 percent of the population of Kosovo, and most of the rest are ethnic Serbs. The Kosovo Liberation Army wants to break away from Serbia to form an independent country.

Diplomats say the government's tactics are inhumane and, with aid being restricted, are likely to cause many deaths among the refugees, especially among the infants and the elderly, and more so as the Balkan winter approaches and possibly 100,000 refugees are homeless.

Aid groups will not be able to cope with the most basic needs of refugees unless the offensive stops immediately, officials of the groups say.

Western diplomacy has failed to stop the offensive, and NATO air strikes have been threatened. But diplomats and senior aid officials say that they think air strikes may be out of the question because the Yugoslav government could retaliate by blocking relief supplies to refugees.

Yugoslav troops continued their tactics of forcing civilians into flight and then destroying their homes.

One valley away from the Monday killings, dozens of homes were burning Tuesday as tanks moved along the roads.

A reporter was repeatedly blocked Tuesday from reaching the area where the relief workers were killed.

A videotape of the scene Tuesday showed two tractors that had been hit by large-caliber rounds.

Relief supplies in one wagon were still burning.

Villagers told reporters that the dead had been buried at night so the police could not fire on mourners.



Bertie Ahern and Tony Blair pledging coordinated action Wednesday.

## Britain and Ireland Vow To Defeat IRA Holdouts

### Anti-Terror Measures to Boost Police Power

*The Associated Press*

**CONG, Ireland** — Demonstrating that their governments were "marching in step together," the British and Irish prime ministers pledged Wednesday to root IRA dissidents for the sake of defending the Northern Ireland peace agreement.

Tony Blair met for two hours Wednesday at Ashford Castle with his Irish counterpart, Bertie Ahern, following the Aug. 15 car-bombing by an Irish Republican Army splinter group, the Real IRA, that killed 28 people and wounded more than 330 others in Omagh, Northern Ireland.

After their talks, Mr. Ahern and Mr. Blair promised to imprison armed opponents of the peace agreement.

They expect emergency sessions of their parliaments in London and Dublin to approve new anti-terror laws next week giving the police a pivotal role in convicting suspected members of outlawed paramilitary groups.

The proposed powers include allowing judges to convict suspects of belonging to an outlawed group if a senior detective testifies they do, particularly if the suspects refuse to answer questions during police interrogation.

With Mr. Ahern nodding in assent beside him, Mr. Blair said such powers

were "tough" but would be widely accepted because the public would see "the British and Irish governments marching in step together, making sure that our measures are complementary with one another."

Mr. Blair noted that mainstream armed groups in Northern Ireland were observing truces and that their political representatives had endorsed the peace agreement. He said the joint security crackdown was necessary "to protect people from this small group of extremists that, as Omagh has indicated, will not stop at anything in order to wreck the prospects of peace for everyone else."

British and Irish security forces estimate that the Real IRA, founded after the IRA command called a truce in July 1997 and authorized its political arm, Sinn Féin, to join the Belfast talks, has 50 to 100 members, with senior figures residing in the Irish Republic.

The group announced on Aug. 19 that it had suspended its campaign, one step short of a formal cease-fire.

Responding to news reports that commanders of Real IRA had met secretly Tuesday to discuss their next step, Mr. Ahern said his government demanded a declaration "that there will be a complete cessation of all their evil acts."

## Kohl's Party Gains in One Poll, Loses Ground in 2d

*Reuters*

**BONN** — Chancellor Helmut Kohl's Christian Democratic Union slightly narrowed the gap with the opposition Social Democrats in one opinion poll published on Wednesday, but a second survey found Mr. Kohl's party had fallen farther behind.

A survey by the conservative Allensbach institute found the Christian Democrats at 35.2 percent, up from 34.5 percent a week ago. It said Gerhard Schröder's Social Democrats slipped from 42.9 percent to 42.7 percent.

But Mr. Schröder's lead on Mr. Kohl in the campaign for the Sept. 27 elections widened from five points to six in a separate survey by the Forsa polling institute.

"We are seeing parallels between the improving economic climate and the improving outlook for the CDU," said Edgar Piel of the Allensbach institute. "An improving economy has always helped the CDU. That was a big factor in 1994."

The Allensbach survey of 2,000 voters, which was published in the Frankfurter Allgemeine Zeitung, was conducted between Aug. 8 and 16. It has a margin of error of 2 percentage points.

The Forsa survey for RTL television found the Social Democrats steady at 43 percent while the Christian Democrats slipped one point to 37 percent.

The Forsa survey was conducted between Aug. 17 and 21 and was based on interviews with 2,513 voters. It has a 2.5-point margin of error.

Forsa had both the Free Democrats and the Greens at 5 percent, representing a rise and a fall of 1 percentage point, respectively, and the Party of Democratic Socialism, or reformed Communists, was steady at 4 percent.

The Allensbach survey also had the three small parties near the 5 percent threshold needed for representation. The Greens were at 6.3 percent, down from 7.0 percent, while the Free Democrats were up from 5.8 percent to 6.0 percent.

Meanwhile, Mr. Kohl's parliamentary chief said Wednesday that the chancellor might not serve a full four-year term if he is re-elected.

Wolfgang Schäuble, Mr. Kohl's preferred successor, said to the weekly Die Woche that the chancellor was running for a full term but that did not completely rule out handing over power before 2002.

"Kohl has said he's running for four years, but at the end of the day he's also left things a little open about what could happen in those four years," Mr. Schäuble told Die Woche in remarks released ahead of the newspaper's publication on Thursday.

Mr. Kohl said last year he hoped Mr. Schäuble, head of the conservatives' parliamentary group, would take over from him, but the chancellor has declined to say when the handover should take place.

## Tribunal at The Hague Pushes War-Crime Probes

### UN Inquiries in Kosovo Aimed at Both Sides

*By Marlies Simons*

*New York Times Service*

**THE HAGUE** — As NATO threats of military action have failed to stop the fighting in Kosovo, the United Nations war crimes tribunal has stepped up its investigations in the Serbian province.

The International Criminal Tribunal for the former Yugoslavia, has assembled a team of investigators, lawyers and military analysts to focus exclusively on Kosovo, tribunal officials said. Members of that team have made their first fact-finding mission to the area and are scheduled to go again soon.

The investigators have instructions to identify the people responsible for the ongoing shelling and torching of civilian areas in Kosovo. They also are examining reports that numerous civilians, most of them ethnic Albanians, have been kidnapped and killed in circumstances that cannot be defined as military combat.

In recent weeks, thanks to additional UN funds earmarked for Kosovo, the tribunal has been able to hire about a dozen new experts.

"Kosovo is definitely one of our priorities," said Graham Blewitt, the tribunal's deputy prosecutor. "We are doing all we can, collecting information, assembling cases and drawing up plans for indictments." He added that the tribunal was looking into war crimes by both parties to the conflict, a comment that seemed to address charges from Serbia that the tribunal was anti-Serb.

"Our investigation involves not just Serbs but also the Kosovo Liberation Army," he said. "There are allegations of war crimes on both sides."

Since the conflict in Kosovo began early this year, the Security Council, which created the tribunal in 1993, has maintained that the court's jurisdiction includes Kosovo. The tribunal's chief prosecutor has repeated the point in the face of Serbian claims that events in Kosovo are an internal affair.

The dispute over war crimes, even as they are going on, once again raises the question of the purpose of the tribunal and whether it can fulfill its role to help heal war wounds and act as a deterrent. The six trials under way at The Hague involve war crimes in Bosnia-Herzegovina and Croatia.

Human rights activists, aid workers and military observers report that 240,000 people, perhaps a tenth of the population of Kosovo, have been left homeless by the Serbian drive to secure the province from rebels who are fighting for independence.

However remote the court may be from Kosovo, some tribunal officials say it has made a difference.

"We got more reports of atrocities, of summary executions, kidnappings and murders by the Serb police earlier this year," a senior official said. "There's obviously still a lot of suffering and destruction. But we're not getting as much evidence of atrocities in the past few months since the prosecutor made it clear that the tribunal is involved."

It would be hard to prove, he said, "but it is possible that the prosecutor's several warnings have lessened the crimes."

"It is also possible," he added, "that the Serbian military who got more involved from June onward had different instructions."

## BRIEFLY

## 2 New Crosses Fuel Auschwitz Dispute

**CZESTOCHOWA, Poland** — Prospects for ending a row between radical Roman Catholics and Jewish groups over crosses erected at Auschwitz seemed remote Wednesday after two more crosses went up at the site.

Defying a call Tuesday by Polish bishops to remove crosses recently erected just outside the former Nazi death camp, nationalist Catholics planted two more large crosses, the PAP news agency said.

The bishops, meeting in Czestochowa, had called for more than 220 smaller crosses to be removed from the site, but that a larger one, under which Pope John Paul II prayed in 1979, should stay. It was moved to its present site in 1988.

## Le Pen Party Aids Swedish Far-Right

**STOCKHOLM** — The leader of France's extreme-right National Front, Jean-Marie Le Pen, is helping to fund a far-right party in Sweden ahead of Sept. 20 general elections, he told a Swedish newspaper Wednesday.

Mr. Le Pen said in an interview with Nordvstra Skanes Tidningar that his party would pay for about eight tons of campaign material for the Sweden Democrats. He declined to give the cost.

"The Sweden Democrats are a new, young and poor party," he said. "We in the National Front remember the enormous material difficulties that we were forced to overcome when we started."

The Sweden Democrats fielded candidates for the first time in Sweden's last general elections, in 1994, when they received 12,651 votes. They would need to gain more than 10 times that number to stand a chance of winning any Parliament seats.

## Is ETA in Belgium? Madrid Casts Doubt

**MADRID** — Police believe the leadership of the Basque separatist guerrilla



YOU SAY 'TOMATINA' — Youths throwing tomatoes Wednesday during an annual festival in Bunol, Spain.

group ETA has moved from France to Belgium in search of a safer haven, a Spanish newspaper said Wednesday.

Without citing its sources, the daily El Mundo said the authorities believed that three ETA members had set up headquarters in Belgium. It identified the three as Isaki Garcia Arce, Mikael Albizu Eizate and Enxetio Arzalluz.

But a Spanish Interior Ministry spokesman called the report "pure speculation" and said the authorities had no indication that ETA leaders were in Belgium.

## 12 Turkish Islamists Face Fraud Charges

**ANKARA** — Turkey's chief prosecutor has begun legal action against 12 of the country's leading Islamic politicians, including Recat Katan, who leads the Virtue Party, the biggest party in Parliament, and former Prime Minister Necmettin Erbakan.

The prosecutor, Vural Savas, accused the 12 of misappropriating \$3.6 million in party funds and said he had asked that fraud cases be opened against them.

All were members of the pro-Islamic Welfare Party until it was banned by the Constitutional Court in January as "a rallying point for anti-secularist activities."

## Conservative Forces Rally Around Juppe

**PARIS** — Party stalwarts rallied Wednesday behind former Prime Minister Alain Juppe as he defended himself against graft charges and sought at the same time to distance President Jacques Chirac from the scandal.

"Juppe Covers Chirac," the leftist daily Liberation said in a headline, while the conservative Le Figaro said more soberly that Mr. Juppe was "taking responsibility."

Mr. Juppe is under investigation over salaries that the city allegedly paid to members of his Rally for the Republic party in the late 1980s, when Mr. Chirac was mayor of Paris. In a television interview Tuesday night, he denied there had been any swindle or that he had pocketed public funds. He said parties had done "the best they could" on funding in the absence of effective legislation governing it.

While the affair dominated headlines in the French press Wednesday, several newspapers shrugged off the allegations, noting that official jobs for party activists had been general practice for decades.

Patrice Chabane, wrote in Le Journal de la Haute-Marne that the legal system was acting properly when it sought to track down abuses of public funds.

But he wrote: "It should be noted that, in the vast majority of cases, there has been no personal enrichment, just crude attempts to help out parties when the law seemed — until recently at least — to believe they could live on nothing but air."

## Yeltsin Avoids Kremlin Amid Economic Turmoil

### Back From Vacation, but Commuting Infrequently

*Reuters*

**MOSCOW** — President Boris Yeltsin stayed away from the Kremlin on Wednesday as the ruble and financial markets suffered sharp falls, and remained at his suburban dacha, the Kremlin said.

"He sometimes works in the Kremlin; he sometimes works at the suburban residence," said Alexei Gromov, a Kremlin spokesman. "It's far from every day that he comes to the Kremlin."

Mr. Yeltsin, who holds the overwhelming balance of power under the Russian constitution as well as the button to the country's nuclear arsenal, returned to Moscow on Monday from a five-week vacation, amid a severe economic crisis that led to a devaluation of the ruble and an effective default on some foreign debt.

Hours before coming back to the Kremlin, he dismissed the government of Prime Minister Sergei Kiriyenko and brought back Viktor Chernomyrdin, whom he had fired in March.

The actions provoked a wave of new criticism of Mr. Yeltsin, who has a history of heart problems and acknowledged in his memoirs that he occasionally suffers from depression.

"The president is in full, constant contact with Chernomyrdin and the leadership of his administration and he receives all his information in a timely fashion," Mr. Gromov said. "He is up to date on all events."

The Kremlin said Mr. Yeltsin spoke with Mr. Chernomyrdin on Wednesday afternoon. It said Mr. Yeltsin approved of the acting prime minister's efforts to form a new government.

But economic turmoil continued on

Wednesday as the central bank suspended sales of dollars to banks to bar further plunges in the ruble, prompting a surge in demand for the Deutsche mark, which rose about 40 percent against the Russian currency.

Kremlin officials said Mr. Yeltsin's health, a cause of concern since he underwent heart surgery and then caught pneumonia in the autumn and winter of 1996-97, was fine.

"He had meetings all of yesterday, meeting with ambassadors, with the Vietnamese premier," said Viktor Vershin, deputy to Mr. Yeltsin's chief of staff, on Wednesday. "I think all is normal. There is no cause for concern."

Mr. Yeltsin has periodically disappeared from public view for weeks at a time during his presidency, which began in 1991. But his erratic behavior and lapses of concentration have sparked growing concern during the current crisis.

"In general, he understands what is happening. But in details? I am not sure," said Boris Nemtsov, former deputy prime minister.

During his meeting with President Tran Duc Luong of Vietnam on Tuesday, Mr. Yeltsin dismissed fears about his health.

"Now everything is fine," he said. The Vietnamese leader said Mr. Yeltsin looked "younger than in photographs," to which a smiling Mr. Yeltsin replied that the fault lay with the photographers, not his health.

Mr. Gromov said Mr. Yeltsin's next scheduled meeting would be with President Petar Stoyanov of Bulgaria on Friday and that no meetings had been scheduled for Thursday.

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## INTERNATIONAL

## Gunfire Resounds Through Kinshasa as Government and Rebels Clash

By Norimitsu Onishi  
New York Times Service

KINSHASA, Congo — The sound of explosives and gunfire reverberated throughout the capital Wednesday, as government and rebel forces fought each other on the city's outskirts.

The government of President Laurent Kabila said its forces and allies had attacked a column of rebel soldiers with machine guns, mortars and rockets. The fighting was concentrated near the Kinshasa airport, about 26 kilometers (16 miles) from the city's center, and it was not clear whether the rebels were returning fire.

In the city's diplomatic and business center, government soldiers blocked roads, prevented people from circulating on the streets, and checked the trunks of vehicles coming into the area. Government trucks filled with soldiers and armored tanks could be seen rumbling toward the residence of Mr. Kabila, leaving wide white tracks on the asphalt.

In La Cite, where most of the city's five million people live, residents said the streets were deserted in the morning, as government soldiers told people to stay home. Later in the afternoon, after the shelling had died down, residents said soldiers had started allowing people to travel.

"There's public transportation now and we can circulate," said a Unicef worker who lives in La Cite. "But there are barricades everywhere and the soldiers are not allowing us to carry our cellular phones."

By nightfall, after a 12-hour curfew went into effect at 6 P.M., the streets were calm and the sound of fighting had ceased.

But it was unclear, Western diplomats and local businessmen said, whether the silence signified that the government had succeeded in crushing the rebels' attempt to seize Kinshasa, or whether it meant that the rebels were regrouping and planning another assault at night or in the morning.

"It could be either of those things," said a European ambassador in Kinshasa. "It could be that we're witnessing the actions of a lone rebel holdout, or it could be something much more significant than that. I'm not planning to go out tonight to find out."

In recent days, the rebels seeking to overthrow Mr. Kabila have been in retreat in the region southwest of here since Angola and Zimbabwe began providing arms and troops to Mr. Kabila's beleaguered army. With the help of the two allies, government forces recaptured a critical military airport. And, although rebels still hold a hydroelectric

dam that supplies power to this region, the government and its allies had appeared to have eliminated the threat to Kinshasa, which at one point seemed likely to fall any minute.

But even as the government and its allies made progress in the southwest, an unknown number of rebels lingered in the areas just southwest of Kinshasa.

So as not to alarm the local population, the government has downplayed the nearby presence of the rebels; it pursued that line Wednesday, saying the fighting merely amounted to steps to completely eliminate the rebels from the area.

"It's the beginning of the end for them," said Dr. Jean-Baptiste Sondji, the government's health minister and a member of Mr. Kabila's cabinet. "We're not completely free yet of these infiltrators. They could still inflict some small damage on us. But it's the beginning of the end."

Dr. Sondji said the government forces and their allies attacked a rebel column of 500 soldiers, most of them former soldiers in the army of the longtime dictator, Marshal Mobutu Sese Seko, whom Mr. Kabila overthrew less than two years ago.

The rebels are led by ethnic Tutsi from eastern Congo and believed to be backed by Rwanda and Uganda, the two

countries that propelled Mr. Kabila to power and then became disenchanted with the Congolese president. But the rebels in the southwest have also included former Mobutu soldiers who are not Tutsi and can mix more easily with the local Congolese population.

Dr. Sondji said that 300 of the soldiers surrendered, and 200 fled into a field near the airport. Many were killed, he said.

His report could not be independently verified. But the manager of a charter company at the airport, which has been shutting fleeing residents across the Congo River to Brazzaville, in the Republic of Congo, said that soldiers had swarmed into the area and that all flights had been canceled.

A hotel employee, who lives near the airport and left for work in central Kin-

shasa at 6 A.M., said the soldiers had arrived in the area by that hour. But he said that the shelling had not started yet.

The sound of gunfire and explosives began echoing in central Kinshasa after 7:30 A.M. and continued with some intensity for about an hour. The boom of explosives, and what appeared to be return fire, went on until around 2 P.M.

## Rwanda Threatens to Intervene

Rwanda on Wednesday accused Mr. Kabila of ordering the killing of ethnic Tutsi and issued a warning that it might enter the conflict in Congo to protect them. Reuters reported from Kigali, Rwanda.

Rwanda could intervene in the

Congo crisis if necessary if Kabila pursues the initiative he has undertaken to exterminate foreign nationals or Congolese on the pretext that they are Tutsi or Rwandans," said Patrick Mazimhaka, a minister in the Rwandan president's office.

"We have no doubt that Kabila has the agenda to exterminate Tutsi, the people of Masasi and the Banyamulenge people," Mr. Mazimhaka said.

He accused Mr. Kabila of ordering his forces to wipe out the ethnic Tutsi Banyamulenge living in the Moba hills west of Lake Tanganyika.

Independent sources say Rwanda's Tutsi-dominated government is backing rebels fighting to oust Mr. Kabila, but the Kigali government has denied it is involved in the rebellion.

## Justification for Attack In Sudan Still Disputed

By Vernon Loeb  
Washington Post Service

WASHINGTON — Employees of the current and former owners of the pharmaceutical plant in Sudan struck by U.S. missiles have kept alive the question of whether it was a legitimate target.

U.S. officials have said that they had evidence that the plant was involved in producing a deadly nerve agent.

But Tom Carnaffin, a consulting engineer in London who worked for the former Saudi owner of El Shifa Pharmaceutical Industries Inc. in Khartoum from the moment the plant was built, said he saw no signs of chemical weapons production.

"I can put my hand on my heart and say, up until April, when I left, I know it wasn't happening," he said.

Ghazi Suliman, an attorney for the current owner of the plant, Salahuddin Idris, a Sudanese who bought it this

spring, added, "We had no idea, and it didn't come across our mind, and we didn't hear any rumors previously, that this factory was involved in chemical weapons."

On Monday, senior U.S. intelligence officers said they possessed soil samples taken from the site that contained a chemical that could only be used to make the nerve agent VX.

At first, the administration had said it had targeted the Khartoum facility in part because Osama bin Laden, the Saudi who is described by the Americans as their prime suspect in the bombings of two embassies, held a financial interest in the plant.

President Bill Clinton said that U.S. forces had "attacked a factory in Sudan associated with the bin Laden network."

Within days, U.S. officials began pulling back from directly linking Mr. bin Laden to El Shifa Pharmaceutical.



Hassan Turabi, the speaker of the Sudanese Parliament, condemning America for bombing his country.

Instead, they said that his link was to the Sudanese military-industrial complex.

The State Department's spokesman, James Foley, said on Monday, "We believe that bin Laden was involved" in Sudan, "regardless of whose name may appear on a deed for a particular facility."

## Sudan Sues U.S. Over Missile Strike

The Associated Press

KHARTOUM, Sudan — The attorney general of Sudan said Wednesday that the government had filed a lawsuit in criminal court against the United States for its missile strike last week against a Khartoum factory.

The attorney general, Ali Zaki, said that President Bill Clinton is named in the suit.

"We have filed a lawsuit against the United States of America, which is represented by President Bill Clinton," Mr. Zaki said.

He added that "the normal procedure is that if a person or an entity fails to

show up in court, he will be tried in absentia."

Mr. Zaki did not give details of the lawsuit. Earlier this week, the president of Sudan, Lieutenant General Omar Hassan Ahmed Bashir, accused Mr. Clinton of being a "war criminal" for ordering the missile strike.

"The American president has violated international law, and he meant to destroy a civilian establishment and to kill innocent people," General Bashir said Monday. He referred to the president as "a war criminal of the first degree."

U.S. missiles destroyed the Shifa

Pharmaceutical Industries Co. in North Khartoum on Aug. 20. A second missile strike targeted camps in Afghanistan used by the Muslim extremist Osama bin Laden, whom the United States has linked to the Aug. 7 bombings of U.S. embassies in East Africa.

Sudan insists the factory was making medicines, but Washington charges it was making a precursor for the deadly VX nerve gas, possibly with assistance from Iraq.

The government said 10 people were injured in the missile attack. Plant officials said the factory sustained \$100 million worth of damages.

## Sudan-Iraq Bargain Alleged

Jane Perlez of The New York Times reported from Khartoum:

At the end of the Gulf War in 1991, when Sudan was one of Iraq's few remaining friends in the world, the government here struck a bargain with Baghdad, foreign diplomats and Sudanese said Tuesday.

In return for Iraqi financial help and assistance by military and civilian experts, Sudan agreed to allow its installations to be used by Iraqi technicians for steps in the production of chemical weapons, they said.

The deal was beneficial to both countries. Struggling Sudan got economic help, and Iraq was able to move ahead with chemical weapons far away from the gaze of UN weapons inspectors.

"Sudan is a wonderful place to do secretive things," a former Sudanese government official said.

A diplomat here said the Clinton administration had known about the Iraqi chemical weapons activities here for some time.

The diplomats and the former government official said it was not absolutely clear at which of several plants the Iraqis were working on chemical weapons or their precursors.

It was not clear either, the diplomat said, whether completed chemical weapons or only precursors were being produced.

They said, however, that a military complex on the southern outskirts of the city, not the plant that was attacked, was the most likely place for the production to have been taking place.

Immediately after the Gulf War, 40 Iraqi government employees were sent to the heavily guarded military complex, said one diplomat, who added, "The Iraqis are there to guard chemical weapons or substances that Iraq doesn't want in Iraq."

Hundreds of other Iraqi experts have worked in various fields in Sudan since the Gulf War, including the manufacture of munitions, the diplomat and the former government official said.

The destruction of the pharmaceutical factory in the industrial area of Khartoum was a surprise because the enterprise had been touted since its opening in early 1997 as a breakthrough in the local production of inexpensive medicines, the diplomat said.

Administration officials said Monday that the factory had been targeted after soil samples from outside the plant, obtained secretly months ago, were found to have a rare chemical needed for the manufacture of VX.

## Bomb Probe Spotlights A Kenya Fishmonger

By James C. McKinley Jr.  
New York Times Service

MALINDI, Kenya — The main suspect being held in connection with the bombing of the U.S. Embassy in Nairobi two weeks ago was described by relatives in this seaside town as a simple fish merchant and carpenter.

The suspect, Mohammed Sadeq Odeh, 34, was also described, by his wife's family here, as a conservative Muslim who prayed five times a day without fail and who believed women should cover their hair and avoid talking to men.

"Until his arrest in Karachi, Pakistan, two weeks ago, those who knew him here say they had no inkling that he might have any involvement in political groups that hated the United States, his relatives said.

Nor, his in-laws said, had they ever heard him mention Osama bin Laden, the Saudi millionaire American investigators believe financed and masterminded the twin bombings in Kenya and Tanzania on Aug. 7 that took more than 250 lives.

"He just talked about religious matters," said Mariam Seif, 35, the aunt of Mr. Odeh's wife, who is a Kenyan. "He never mentioned Osama bin Laden."

"He was very nice, very honest, very religious," she added.

Mr. Odeh, who also goes by the surname Howaida, arrived in Kenya in mid-1994, Miss Seif said. He said he was a Palestinian, from Jordan, but never talked much about his family, she added.

Relatives also said that he abhorred moderate Kenyan Muslims. He considered smoking and watching videos or television to be sinful. He often chided his wife's uncle for smoking cigarettes and scolded the women in the household for not covering their hair and faces.

In October 1994, he married Miss Seif's 18-year-old niece, Nassim Nassor Salim, who goes by the nickname Amina.

It was an arranged marriage, set up by a man who knew Miss Salim's uncle, Hassan Omar Hassan. Mr. Hassan is a Labor Ministry employee in Malindi.

The marriage took place in Mr. Hassan's apartment in a working-class neighborhood, Mawani. The next day, Mr. Odeh took his young bride to the city of Mombasa, where they took up

lodgings in a sprawling slum.

For the next three years, Mr. Odeh worked as a small-time fish merchant, Miss Seif said. He traveled up the coast to Malindi, Witu and Lamu, buying fish from local fishermen and transporting the catch back to Mombasa to resell to restaurants, stores and hotels.

In 1997, he and his wife had a baby boy, Yasser, and the financial burden troubled him. In February, Mr. Odeh told his relatives he wanted to move away from Mombasa, where he said he was having trouble making ends meet in the fish-mongering business.

Mr. Hassan gave them a house in Witu and the family moved to the remote town, north of Mombasa. It is a desolate area near the border with Somalia where banditry, gun-running and smuggling are common.

In Witu, Mr. Odeh started a carpentry shop. His relatives said, though, that he appeared to know little or nothing about carpentry.

The family lived in poverty, the relatives said. Their home in Witu is a mud hut with a thatched roof.

If Mr. Odeh traveled out of the country, as one of his passports indicates, he did not tell Mr. Hassan or Miss Seif. They said they knew of him making only one trip, to Nairobi, about five months ago. His arrest in Karachi came as a surprise, they said.

Mr. Odeh was arrested as he arrived in Pakistan on Aug. 7, the day of the bombing, when he presented a forged Yemeni passport bearing the name Abdul Bast Awadiah.

Pakistani authorities say he confessed to having played a major role in building the car bomb that devastated the U.S. Embassy and destroyed a bank building next door.

On Aug. 14, he was deported to Kenya, and he has been in custody in an undisclosed location since then.

FBI agents say Mr. Odeh has not confessed to American authorities that he took part in the bombing, nor has he implicated others.

But U.S. agents are clearly interested in Mr. Odeh's life. Acting with the Americans, Kenyan authorities have detained Mr. Odeh's wife, who is now 22, as well as his brother-in-law, Omar Nassor Salim, an accountant at the National Museum of Kenya.

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## TribTech

Computers  
Join You in  
Driver's SeatThey Manage Engines  
In New Cars as Well as  
Braking and TractionBy Richard Stepler  
New York Times Service

**N**EW YORK — After a long day spent in front of your computer screen, you need a change of scenery. You get behind the wheel of your car, start the ignition and step on the gas pedal. Once on the open road, you feel the rush of freedom, leaving the world of binary code far behind.

You are wrong. Chances are, if your car was built in the last 20 years, you have traded one computer for many.

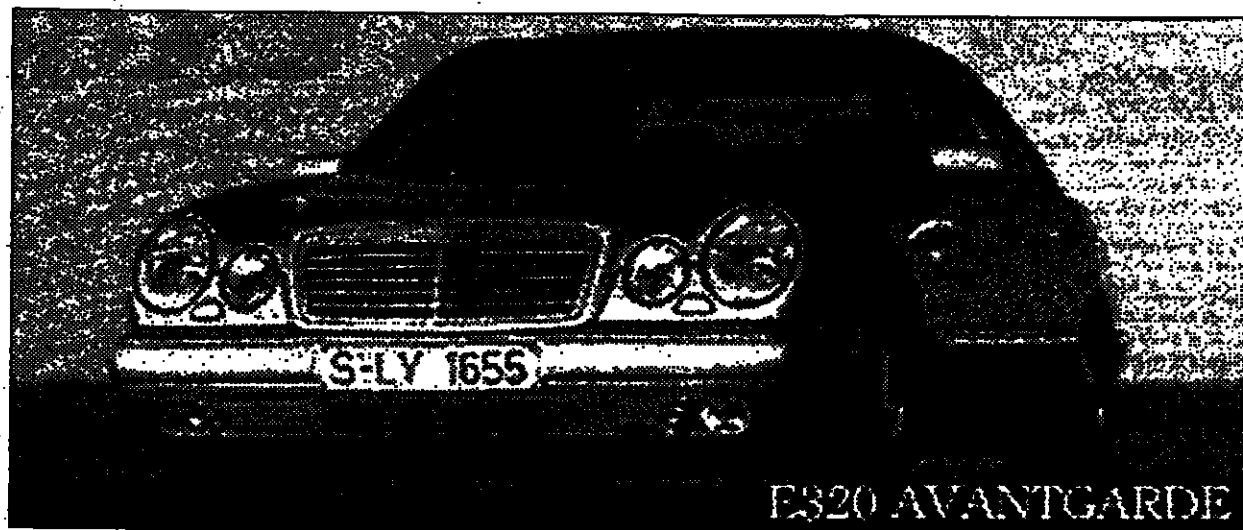
Take, for example, the simple task of stepping on the accelerator. No connection of modern human beings to machinery is more visceral and familiar. It is the simplest and most satisfying of handgrip interfaces: The heavier the foot, the faster the car goes.

But in the new Volvo S80, the company's flagship sedan to be released this autumn, there is no physical link between the accelerator pedal and the six-cylinder engine. When you depress the accelerator, you are actually sending a digital signal to the engine-management computer to open the throttle on the engine.

The benefits include smoother operation and lower fuel consumption and emissions. The pedal, however, might as well be a mouse.

The accelerator is only the beginning. Computers provide the smarts for many of the S80's other components, including its electronic transmission, anti-lock braking, traction control, climate control, navigation and communication systems.

And in more or less the same way that a personal computer can be upgraded from 16 megabytes to 32 megabytes of RAM, the S80's turbocharger can be upgraded, adding 50 more horsepower,



The 1999 models of the Mercedes-Benz E-Class will have computer-run side "curtains" for collision protection.

simply by changing the software in the engine-management computer.

The company says that the S80 has "more computers than a jet fighter." While that may be hyperbole, the car very likely represents the state of the art in the marriage of the computer and the car. It may also represent the beginning of a very different relationship between drivers and their beloved vehicles.

The first microprocessor appeared in an automobile three decades ago, in the 1968 Volkswagen 1600. It controlled the air-fuel mixture in an electronic fuel injection system, improving fuel efficiency and engine performance.

More important, it paved the way for cleaner tailpipe emissions as more powerful and sophisticated engine management computers were developed.

Since then, automotive computers have multiplied like rabbits, and while cleaning up exhaust emissions may remain the computer's single greatest contribution to automotive technology, that is far from the only important function that computers perform in cars.

Engine-management computers, networked with microprocessors, control the transmission, braking, traction and stability control systems, giving drivers unparalleled control, particularly on icy or rain-slicked roads.

Computers control front and side air bags and tighten the seat belts in the event of a collision. They also command the latest air bag innovation, a curtain

that inflates in 25 milliseconds from above the side windows. Appearing on 1999 Mercedes-Benz E-Class sedans this month and on the Volvo S80, the curtain offers protection for both front- and rear-seat passengers.

Microprocessor-controlled anti-theft systems — combined with a Global Positioning Satellite system and a cellular phone — can track a stolen car and even let the police cavestrop on conversations inside the vehicle. Instrumentation, driver information displays — how far left to go until empty climate control and entertainment systems get their brains from computers.

Even the hand-held portable computer has found a home inside the car, via an infrared docking port in a prototype system. In some cars, a computer can even tell you how to fix a flat tire. Unfortunately, it still can't do it for you.

**O**F COURSE, the progress of the computerized car hasn't been a completely bump-free joy ride. Consider the annoying and short-lived fad for cars that "talked" in the early 1980s, insistently reminding passengers to fasten seat belts or that a door was "ajar." It was as though the car had become its own back-seat driver.

Sensitive to the failure of these frivolities, automakers are taking a more pragmatic approach to the incorporation of computers in their latest offerings. Their functions are typically transparent

to the car's driver and passengers.

Take, for example, the spin-out. In the days before on-board computers, drivers were taught to turn the steering wheel in the direction the car was skidding to maintain control. That is no longer necessary if the car is equipped with a stability control system, like those found in models sold by BMW, Cadillac, Mercedes-Benz and Lexus.

Stability control systems receive data from several sensors, typically updated every 40 milliseconds. For example, a steering wheel position sensor, as the name implies, tells the system where the driver intends the car to go.

Data on what the car is actually doing are provided by sensors for wheel speed, sideways acceleration and the yaw rate — the rotation of the vehicle around a vertical axis.

The computer compares the car's dynamic performance as measured by this data with a model stored in memory. Then it compares that with the driver's intentions. If the computer detects an incipient out-of-control situation — the car is under-steering or over-steering — it orders the engine computer to reduce power or to apply the brakes on one or two wheels to keep the car going in the direction the driver intends.

"It's not a dramatic feeling," said Frank Markus, technical director at the magazine Car & Driver. "As you turn the wheel, you'll feel some momentary slipping, but there's not a lot of jerky motion. You sense the car slowing down and turning in the direction you want."

Of course, there is nothing for the driver to do other than to trust that the system will work. "It's like an invisible hand of God has come down to rescue you," said Don Sherman, a contributing editor at Popular Science magazine.

What is the car with the most computer chips in the land today? According to Fred Heller, a spokesman for Mercedes-Benz, it's the automaker's flagship S-Class sedan, which, depending on options, contains between 35 and 40 computers.

The auto industry has introduced so many new electrical features that the electrical systems themselves are becoming a problem," said Sven Eckert, deputy chief executive of Volvo. "The wiring has become heavy, bulky and very complex. The number of connections has increased dramatically."

One way to reduce the complexity is with an on-board computer network. In 1992, Mercedes-Benz introduced the first computer area network in its S-Class models.

"In simple terms," said Dave Acton, a director of electrical engineering at General Motors Corp., "it means sending a number of digitally coded messages down the same wire, something like the old telephone party lines. One of the benefits is to permit every electronic module in need of a piece of data — road speed, for example — to obtain that information without having to send it to each module on a separate wire."

## ALT / Commentary

## Netsearching Yourself

Surprisingly, You May Be Hard to Find

By Gina Rarick  
International Herald Tribune

**P**ARIS — I was lying awake at 4 A.M., so I decided to find myself.

I logged onto the Internet, went to the Yahoo People Search and typed in my name. No matches, came the reply. So I tried a few more — Excite, BigFoot, Lycos — all with the same result.

After a few moments of existential panic, a whole raft of new ideas came flooding in. If I couldn't find myself, maybe the IRS couldn't either. I could stop paying taxes! And while I'm at it, I could stop paying a whole bunch of other pesky bills, too.

But with the sunrise came a dose of reality, along with more than a little electronic indignation. Why didn't I exist in cyberspace? After all, I have an e-mail address — two of them, as a matter of fact. My byline has appeared on a few articles for this newspaper that have also appeared on its Web site, and in past years I've had hundreds of bylines for other newspapers that also have Web sites. I'm in the phone company's white pages.

I've even left droppings of personal information scattered all over the Net; if a site asks me something, I'll usually answer, ignoring all those warnings about how personal data can fall into the wrong hands. I've even ordered books on-line from Amazon.com. Shoot, I have a Yahoo credit card. I've made no effort to hide.

It's not that I want junk mail from every cybernet on the planet or anything, but I'd always assumed that if somebody out there wanted to find me I was there to be found. I've never met my father, for example, and while I've never made the effort to find him, I'd always thought that he could find me without too much work if he were so inclined.

**B**ut it turns out maybe that's not the case. The WhoWhere People Finder offers at least four ways to find people, but when I input my name it says, "Sorry, no matches were found." Perhaps, it asks me, I would like to broaden my search to people with last names that sound like or might be spelled like mine? No thank you, I'm pretty sure about the spelling of my last name.

Excite's AnyWho People Finder was more blunt: Not only did no directory entries match my query, but "providing more information on the query form will NOT make your search successful."

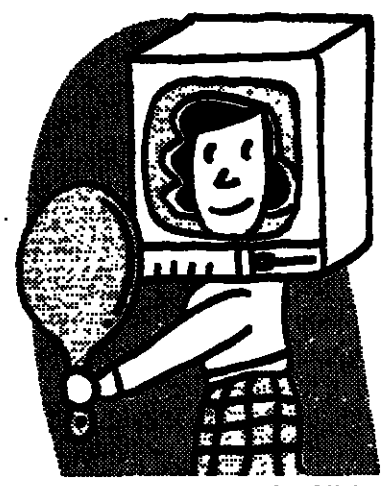
The BigFoot directory says it is "proud to help bring all netizens together, one search at a time." I found three Raricks, none of them me or anyone I know. Lycos's PeopleFind lists "all the folks you're looking for." Except me.

As it turns out, one way to be found is to take the effort to REGISTER with these various on-line directories. Something about that doesn't seem right in this era of paranoia about privacy. I grew up in the good old-fashioned phone-book culture — the one in which if you had a phone, Ma Bell would have you on her list unless you convinced her there was a compelling reason for you not to be there.

An unlisted number even cost extra, just to further deter you from

secrecy. People who had unlisted phone numbers were the topic of whispers in the grocery-store checkout line. Somehow being listed in the phone book validated your place in society.

But apparently not so in cyberspace. If you want to be a netizen, you have to actually sign up somewhere to exist. I couldn't help thinking about all the people who complain about their personal coordinates being usurped by various Internet ne'er-do-wells. How much of this did they bring about them-



selves, all because they just wanted to be found if someone were looking?

And how many other people are deluding themselves into thinking that hundreds of electronic predators are craving nuggets of their personal information? Maybe those paranoid paramilitary types in Montana who are convinced the government has vast files on them ought to look themselves up on the Net — they might find there's very little information out there. Or they may not find themselves at all.

So what should I do? I'd hate to miss that chance for my 10 minutes of fame because someone couldn't find me. I mean it would be a simple matter — all Excite wants is my first and last name, my city, zip code and telephone number. It also demands that I live in a state and does not seem to allow for the possibility that I might be somewhere other than America.

On the other hand, it's kind of nice to be a little hard to find. No cell phone. No Internet listing. No U.S. whereabouts. Maybe I don't need to find myself after all.

Gina Rarick is usually found on the business news desk of the International Herald Tribune.

## SITES

To find yourself on the net, the various "people searches" are at:  
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Another way of finding oneself late at night is through Zen studies. The Internet Guide to Buddhism and Buddhist Studies is at:  
www.ciolek.com/WWWVL-Buddhism.html



Chester Copeland, a Ready Trucking driver, demonstrating the video display that helps track his progress.

## A Big 10-4 for the Internet

E-Mail and Satellite Tracking Revamp Trucking

By Justin Bachman  
The Associated Press

**A**TLANTA — Ah, the lonely, tedious life of a long-haul trucker. Rest stops and road-stop coffee. Lonely phone calls home and a CB radio on the road.

Times change. Citizens-band radios are giving way to Internet sites. Truckers now punch up an electronic mail rather than wait by the phone. And global positioning systems are used to give traffic advice in a matter of seconds.

"As far as all these computers are concerned, I get directions to everywhere I go," Don Buchta said as he fueled his rig at an Atlanta truck stop on his way to Massachusetts.

Before his company installed a satellite tracking system to manage trucks and communicate with drivers, Mr. Buchta used to spend much of his time sitting by a pay phone — waiting for load orders, directions and "calling back, calling back, calling back," he said.

Now, trucks are wired for e-mail. Dispatchers send route changes to a driver's personal video display and an engine diagnosis is as likely to take place while driving on the highway as it is in a maintenance shop.

One company, Park 'n View, provides access to cable, Internet, pay-per-view and telephone services at 125 truck stops nationwide. For \$30 per month, subscribers receive a card that allows them to plug in.

Freight companies say that global positioning satellites, which can locate a truck to within a 50-foot (15-meter) radius, have reduced the practice of drivers' visiting girlfriends or hangouts when they should be on the road.

But most importantly to the industry, the technology cuts delays and costs.

"The pace of technology coming to

this industry is just unbelievable," said Seth Skydel, editor of Trucking Technology Magazine.

A truck's maintenance schedule used to be posted on a chalkboard in the repair depot, he said. Now, systems that monitor engine performance allow technicians to receive data while the truck is on the road. Technicians can determine whether a quirky noise is cause for immediate repair or can be ignored until the driver returns.

"Computers were unheard of in this industry 10, 12 years ago," Mr. Skydel said. "The accounting people may have had them, but you never saw them in dispatch or maintenance."

Ten years ago, the largest U.S. trucking company, Wisconsin-based Schneider National Inc., became the first of the industry's major players to adopt two-way satellite communication: on its 14,000-truck fleet.

"It's a research experiment. I don't know how long we will leave the implant in but it's looking at what's possible now in terms of communicating between a computer and myself," Mr. Warwick said.

Mr. Warwick demonstrated the chip in action by walking through the front door of his department.

"Good morning, Professor Warwick. You have five new e-mails," said a computerized voice activated by the inserted chip.

The human as computer had many applications, but also dangers, Mr. Warwick said.

"Possibilities could be that anyone who wanted access to a gun could do so only if they had one of these implants. Then, if they actually try and enter a school or building that doesn't want them in there, the school computer would sound alarms and warn people inside or even prevent them having access," Mr. Warwick said. "The same could be true at work where employees could be tracked in and out of the building to see when they are there."

"This is a technology where there are big positives but there are also big negatives," Mr. Warwick said. "Do we want to hand over control to machinery or to have buildings telling us what we can do or can't do?"

Mr. Warwick said the chip was implanted by his doctor, who advised him to have it removed within 10 days. Mr. Warwick is taking antibiotics against infection.

"It doesn't hurt any. I took some Nurofen just before the operation. It feels uncomfortable — it feels as though there's something in my arm, but it doesn't feel unpleasant." (Reuters)

**MULTILINGUAL SOFTWARE:** Lucent Technologies Inc., a U.S. telecommunications company, this week introduced new voice-activated computer software that supports English, German and Spanish.

A company spokesman said the software, the Lucent Speech Application Platform, is used to create voice systems for personal computers and was previously available only on telephones.

The software is available immediately. Lucent said its first three cus-

## BRIEFLY

**COMPUTER MOM:** When a baby cries, it is up to its parents to figure out what the walls mean: Hungry? Tired? Wet diaper? The answer is not always obvious, leaving frustrated adults trying to placate a screaming or sobbing child.

Likewise, when a cat meows or a dog barks, humans are usually at a loss to understand the meaning of those noises.

Massami Yamamoto, a Japanese inventor, thinks that pets, like babies, have thoughts and desires to express, and he has created a device that he says will translate them into human language. Mr. Yamamoto has won a U.S. patent for an invention that uses a camera, microphone and computer to create a dictionary of meanings for the behavior and noises of babies and animals.

The camera and microphone record the mannerisms, facial expressions and voice tones, which are analyzed by the computer and compared with images and sounds in its database. Each image or sound in the database has a previously assigned meaning.

The computer selects a match between sounds in the database and sounds the animal or baby is making in real life. The computer then provides a definition, or translation. (NYT)

**ROBOPROF:** Kevin Warwick, head of the Cybernetics Department at the University of Reading in England, claims Tuesday to be the first person in the world to have a computer chip surgically implanted into his body.

Professor Warwick said that a glass capsule about 23 millimeters (0.9 inch) long and 3 millimeters wide containing an electromagnetic coil and a silicon chip was inserted into his arm Monday.

"It is a research experiment. I don't know how long we will leave the implant in but it's looking at what's possible now in terms of communicating between a computer and myself," Mr. Warwick said.

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in action by walking through the front door of his department.

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## TECHNOLOGY INDEX

A glance at technology stock indexes around the world

	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange	340.46	+2.52	+17.17
Technology			
Standard & Poor's Technology Composite	920.84	+1.54	+31.56
Europe			
Morgan Stanley Eurotec	647.61	+0.45	+68.12
Asia			
Topix Electric	1716.29	+0.18	+4.39

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- TV Mail for Cable & Wireless, Aug. 20
- Bringing the World to Malaysia's Rural Poor, Aug. 20
- Barnes & Noble to Sell Net Sticks, Aug. 21
- Global Telecom Players Scramble to Connect, Aug. 22-23
- For On-Line Investor, the Thrills of Going Solo, Aug. 14
- Singapore Bourse Passes 2000 Trial, Aug. 24
- Shares Plummet for CyberGuard, Aug. 25
- Telecom to Cut Back Administrative Staff, Aug. 25

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to [tribtech@ihl.com](mailto:tribtech@ihl.com).

International Herald Tribune

tomers for the product were Intel Corp., Cambridge Consultants Ltd. and 900 News Inc./Stock News Now. (Reuters)

**LEADING INDICATOR?** The Internet edition of Money magazine reports this week that there are more bears than bulls in on-line discussion groups these days.

"Most postings indicate people remain very nervous about the market, though they're enthusiastic about individual stocks, including Dell and Cisco. Apple was getting good reviews for its new iMac. And a few investors even saw hope in the perilous situation in Russia," the magazine reported in its

survey of the stock chat boards at America Online, Motley Fool, Silicon Investor and Yahoo Finance. (IHT)

**ON-LINE FINANCIAL TOOL KIT:** The Securities and Exchange Commission has assembled an on-line version of its "Financial Facts Tool Kit," part of a joint government-business campaign for investor education.

The kit is available on the SEC's Web site at [www.sec.gov](http://www.sec.gov), the agency said Tuesday.

It includes an interactive version of the "ballpark estimate," a worksheet for calculating how much money people should save for retirement. (AP)



## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Escalation in Africa

Troops, planes and tanks from Angola, Zimbabwe, Uganda and probably Rwanda are now intervening on one side or the other of Congo's civil war. Their actions blatantly violate international borders and set an alarming precedent for turning other civil wars, like those in Sudan and Angola, into regional conflicts. The fighting could hasten the breakup of the huge but fractious Congo, creating a breeding ground for drug traffickers, warlords and terrorists in the heart of Africa.

The United States, which has good relations with several participants, has paid too little attention. South Africa's Nelson Mandela has tried to negotiate a cease-fire, only to be rebuffed by Angola and Zimbabwe and their ally, the Congolese president, Laurent Kabila. All seem to think they have more to gain from continued bloodshed.

The Clinton administration should use its influence with Angola, Rwanda and Uganda to help Mr. Mandela's efforts succeed. Angola is cool to the cease-fire proposal, but Uganda and Rwanda support it, perhaps hoping to lock in the gains of their rebel allies. Washington must insist that these countries halt aid to the rebels and commit to keeping Congo unified.

It should also press the UN Security Council to take a stronger stand. Maintaining the sanctity of international borders is supposed to be one of the

United Nations' basic missions. More active interest by the Security Council would make it easier for Secretary-General Kofi Annan to lobby African leaders for a cease-fire and an end to foreign intervention when he travels to South Africa next week.

Three of the four countries intervening are hoping to ease their own security problems. Uganda and Rwanda are threatened by rebels who find sanctuary on Congolese soil. They hoped that by sponsoring a rebellion they could replace Mr. Kabila with someone who would do more to keep Ugandan rebels and Rwandan Hutu militias out of their countries. Angola then sent troops to defend Mr. Kabila, mainly because it fears that a rebel victory would allow Angola's own anti-government UNITA movement to establish Congolese sanctuaries. Zimbabwe's involvement stems from President Robert Mugabe's ambitions for regional military leadership and his jealousy of Nelson Mandela.

Yet all these intervening countries, although they may be temporarily blinded to it, have a transcending interest in allowing an Africa now finally free of superpower proxy contests to develop in peace. America, which shares that interest, should do more to help end this dangerous conflict.

—THE NEW YORK TIMES

## Terrorism on Trial

The United States and Britain have now agreed to meet Libya's demand for a neutral third-country venue to try the two Libyan agents accused of blowing up Pan Am 103 over Scotland in 1988, killing 270 people. Moammar Gadhafi has insisted that there was no other way to ensure whatever he means by fairness. It is distasteful to be subjected to strictures on due process by a mass murderer. But it was necessary to act to prevent further weakening of the principal international lever on Colonel Gadhafi, the United Nations ban on air travel to and from Libya.

For the West, the main point always was to establish accountability for a gross crime. The mechanism was to be a trial conducted under Western standards. From the take-it-or-leave-it announcements made in Washington and London, this standard now stands to be met. A Scottish courtroom is to be set up in the Netherlands, with Scottish prosecutor, judges and rules of law. Any sentence — the maximum is 30 years imprisonment — would be served in Scotland.

Will Colonel Gadhafi take the risk of seeing the two terrorist suspects, once they are under Western protection, turn informer on him? No doubt he would be taking some grisly precautions against such a turn. The American and British sponsors of the proposal speak of adding a new burden on Libya — an international ban on exports of crude oil — if Colonel Gadhafi repudiates his earlier openness to a third-country trial. At the least he would face new sanctions already in place.

Terrorism comes in different sorts and settings, and each combination must be addressed in its own way. Prosecution and trial of the Pan Am 103 suspects, however, could have a broad positive effect. It would demonstrate that dogged police and intelligence work and the practice of an open judicial system can enforce accountability. Such a demonstration serves justice and blunts the terrorists' most effective weapon — the fear that dark forces can intimidate the light.

—THE WASHINGTON POST

## A Money Machine

The biggest bull market of the past 15 years has been in capitalism itself, and no company has been better positioned to profit from it than Goldman Sachs, the investment banking firm that has until now jealously guarded its financial details. Now, in preparation for selling stock to the public, Goldman has lifted the veil a bit.

Last year its profit came to fully 53 percent of the money its partners had invested. That is the kind of performance that one might think could not be maintained, but in the first six months of this year Goldman did even better. It made \$2.1 billion, an annualized return of 65 percent on the \$6.6 billion the partners have invested. It should be noted that because Goldman is a partnership, the figures are before taxes and do not take into account the substantial amount of money paid out to the 189 partners of Goldman. But they are still high by any standard.

Goldman's business is inherently risky. Its profits from trading stock fell late last year, when markets briefly

nosedived in October. And in 1994 rising interest rates took such a toll that the firm could only show profits of 10 percent. But overall the record has been remarkable.

Still, for those contemplating Goldman as an investment, two questions stand out. The first, which will be clarified before the offering is made, is how generous the firm will be with its employees, and thus how much of the profits will be left for those who buy stock in the firm. The more important is whether the partners have decided to sell near the top of a great boom.

Goldman's successes, after all, have come with the wind at its back. From 1982 through 1997, worldwide issuance of stocks and bonds rose at a compound rate of about 20 percent a year, and merger activity leaped at a 25 percent rate. It is obvious that this pace cannot be sustained forever. The current problems in stock markets from Russia to Mexico may be a harbinger of an early reversal.

—THE NEW YORK TIMES

## Other Comment

### North Korean Madness

North Korea is a country where schoolchildren still receive three hours of "political education" per day, where enormous signs scream out ideological slogans at street corners and along highways, and "inspirational" music is played in town squares and on the single television station.

The Red Cross, the World Food Program, the Food and Agriculture Organization and various other aid agencies distribute aid and try to dispense advice on how North Korea could better feed for itself. But the most minor

proposed changes in agricultural practices assault the regime's daily message that the leader's genius is the exclusive source of sound policy.

Every day the state media spout vitriol about the "war maniacal" Americans. Keeping up defense spending against this threat saps what remains of the economy. Yet the North Koreans need the "threat" from the United States. To negotiate it away would leave them feeling pretty empty. Meeting the threat is a waste of resources, but deciding it does not exist is ideologically unsatisfactory.

—John Chipman in Newswatch

## Protect Refugee Women as They Gather Firewood

By Mary Anne Fitzgerald and Shep Lowman

WASHINGTON — Refugee camps are meant to be safe havens for people who have fled violence in their homelands. International organizations have a responsibility to protect refugees. But violence against female refugees has reached serious proportions.

Women are often most vulnerable while they carry out routine daily tasks, such as gathering firewood.

In most refugee camps around the world, women have only one choice in obtaining fuel for their cooking fires. They must venture beyond the camp perimeter, sometimes walking 30 kilometers, to forage for wood. Exposed and far from help, they risk brutal sexual assaults. Often the victims are shot, knifed or beaten into submission.

Statistics from the Dadaab camp for Somali refugees in northeastern Kenya show that the incidence of rape here this year shot up to almost triple that of last year. Girls of 10 and women of 50 were gang raped by groups of up to a dozen armed bandits. Similar cases are reported from other parts of the world.

As most of these rape victims come

from deeply traditional societies, they face divorce by their husbands and ostracism from their community at the very time they most need support.

At Kakuma, another camp in Kenya, a 12-year-old girl was pulled behind a fence and raped by five men as she walked to school. Now she is an outcast. She says stones are thrown at her as she walks down the road. She has stopped going to school and will not leave her hut.

Shame and guilt engendered by cultural beliefs lead to a gross underreporting of rape. This denies the victims access to treatment for the psychological and physical aftermath. Refugee women who have been raped remain traumatized and have little hope of ever leading a normal life.

Protecting refugee women is a challenge, especially when they must roam far and wide to accomplish their daily tasks. (Men won't gather firewood. The bandits would kill them, they say.)

In Kenya, refugee camps are deliberately set up far from main towns, so

the logistics and transport costs for alternative fuels such as kerosene have proved difficult and expensive. Contracting out the collection of firewood to large outside suppliers can undermine small, local businesses and relations between refugees and local communities. Bad relations between refugees and communities can cause a backlash of political and security problems.

The problems associated with the simple act of providing firewood to reduce the incidence of rape are difficult. International organizations need to plan ahead for such problems.

At Dadaab, the United States contributed \$1.5 million to buy firewood, but carrying out the program is complicated by all the factors listed above. Simply to buy firewood is expensive and can cause problems as serious as those it tries to solve. Longer-term and more cost-efficient solutions must be found.

The Great Lakes crisis in 1994 brought a sudden influx of a million refugees into Zaire and tested the system's ability to provide firewood to

a population the size of a large city. A survey conducted in the camps showed that refugees were cooking on drafty fires, did not cover their cooking pots and failed to extinguish fires after use. A first step would be to develop protocols for the refugees in firewood conservation.

Although probably not practical in rainforest areas like Dadaab, one solution could be plantations of fast-growing trees. There are species that can be harvested after only four years.

One is left with the sense that international agencies still do not really know how to deal with the relationship between firewood and rape. Women are 58 percent of the world's adult refugee population. They do not shrink from their responsibility to gather firewood for their families. The international community should protect them.

The writers are senior members of Refugees International, the humanitarian advocacy organization, and recently visited refugee camps in Kenya. They contributed this comment to the International Herald Tribune.

## To Combat Terrorism, Address Muslims' Real Problems

By Graham E. Fuller

WASHINGTON — The deadly terrorism in Kenya and Tanzania and the U.S. military response in Sudan and Afghanistan threaten to draw the United States deeper into a strategic no-win bind.

The outrageous twin attacks on U.S. embassies in Africa, with their massive killing of innocent bystanders, could not go unanswered, especially when reportedly good intelligence made it clear who the perpetrators were and that further attacks might be imminent. No one could argue for inaction or a failure to respond.

The problem is that the issue does not end here. Sooner or later, retaliation is probable from a variety of radical and zealous groups, even individuals. Now even administration officials

speak of a possible "coming war" against terrorism.

But these terrorist attacks have not taken place in a vacuum. It is dangerous to divorce terrorism from politics, yet the U.S. media continue to talk about an abstract "war against terrorism" without mention of the issues or context that lie behind them.

If a war against terrorism is coming, Americans had better start discussing and understanding more clearly the depth and range of impulses that drive people in the Middle East, a discussion so far stunningly absent from public discourse.

There is no monolithic Muslim bloc, but a few deeply held attitudes are quite evident.

Broadly speaking, most Muslims feel helpless, weak and resentful in the face of external power at work in their region.

The Middle East, center of world civilization for several millennia, is now beset with masses of poor citizens (apart from the oil states), bad social services, poor education, absence of democracy, constant abuse of human rights, widespread corruption, police states, often brutal rulers, no voice over their own fates. They are victims of truly bad governance in most states of the region.

And what do they perceive? U.S. support for almost any ruler willing to protect U.S. interests — routinely identified in Washington as oil and Israel.

They see a Washington unwilling to act evenhandedly in the Arab-Israeli peace process and infinitely tolerant of a hard-line government in Israel that denies Palestinians land, dignity and statehood. They perceive double standards that allow Israel to violate UN resolutions, but not Iraq. Israeli nukes are O.K., but not nukes in Muslim hands.

They see routine use of U.S. unilateral military power against Muslim targets that is unparalleled elsewhere in the world. They see themselves routinely humbled by use of overwhelming Israeli military power. They see U.S. military forces in the Gulf as being there to protect ruling families and not populations — the essence of Osama bin Laden's charge.

Muslims are concerned that there are no Muslim Americans involved in high level U.S. policy-making in the Middle East but that Jewish Americans occupy nearly every senior position relating to U.S. Arab-Israeli policy.

They perceive no interest in Washington in pushing any kind of democratizing agenda in the region, and they hear casual talk of Islam as "incompatible with democracy." They see Iraqi children dying of disease and starvation and blame it on U.S. sanctions.

They perceive widespread caricaturization and demonization of Islam in Western media and films. They point to colonial regimes in the past seeking to weaken Islam and traditional Muslim culture.

They point to Muslims under siege in Palestine, Chechnya, Russia, Xinjiang (Chinese Turkistan), Bosnia, Kosovo, Kashmir, Eritrea, the Philippines and India, and often treated as second-class citizens in Europe. The list goes on.

These perceptions obviously do not fully reflect reality, and counterarguments can be made in many cases. But perceptions matter, mightily, since they form the increasingly poisonous psychological backdrop against which distraught and angry Muslims end up championing those who overcome their impotence, stand up to the West, and assert Muslim dignity.

Sadly, most Muslims in the region feel ambivalent about the embassy bombings. While rejecting terrorism in principle and sharing human sympathy for the loss of life, many also feel a touch of satisfaction that the United States partly got what it deserved.

Americans do not have to buy their rationale. And, realistically, the kind of terrorists that Mr. bin Laden represents would probably never be satisfied with any kind of U.S. policy change. Their anger, fears and resentments lie deep and beyond debate. But the dangers of getting drawn into an escalating war against terrorist groups which enjoy some public sympathy are very real. These attitudes form the backdrop that facilitates violent acts.

Yes, terrorism has no place in our world. But Washington had better ensure that it has prepared a more sympathetic environment for its campaign that it now has.

The United States is quite isolated in the Middle East today. It should start by facing the full reality of the region's problems.

The writer, a former vice chairman of the National Intelligence Council at the CIA, contributed this comment to the Los Angeles Times.

## Around the World, Bitter Friends and Happy Foes

By Anna Husarska

SARAJEVO — My local friends note with bitterness that the 18-month relationship between America's commander in chief and a White House intern started in the month the Dayton peace agreement was negotiated.

If the attention and energy of Bill Clinton had not been distracted, they complain, perhaps he would have been more dedicated to enforcing Dayton. Perhaps he would have rid Bosnia of the main indicted war criminals who are still free.

From the moment the Monica Lewinsky affair became known, it has been distracting the media, too. In January, the Pope was visiting Cuba. Here was a golden opportunity for many journalists to report from the country. In Havana, Cubans I spoke to were hoping the papal

visit would draw some of the world's attention to their plight. No such luck.

Just as the Cuban reporting was heating up, the Lewinsky story broke. Like wolves following the scent, American reporters flew from Havana to Washington. Television broadcasts were first split. Soon, however, bimbo coverage won, Cuba coverage lost.

The private wrongdoings of President Clinton are distracting him, distracting the media and undermining American foreign policy. With what delight the Serbian press has been reporting minutiae about the sex affair and about the investigation of possible cover-up by the

leader of the only superpower. In the spring, when Serbs in Kosovo demonstrated against American efforts to stop Slobodan Milosevic's crackdown on ethnic Albanians, they carried banners saying "Clinton, you are sex maniac." My Albanian friends struggled with embarrassment. Their negotiating position was obviously being hurt.

Opposition activists to whom I spoke last July in Cambodia made angry references to Mr. Clinton's "lady" problem as they resigned themselves to the news that the United States was letting a rigged election in their country stand.

Around the globe, those who hope to be helped by America feel betrayed. Those who should fear it pool-pool its threats.

International Herald Tribune

## Forget the 'Severest Consequences' for Saddam

By Charles Krauthammer

WASHINGTON — Last week's air raids in Afghanistan and Sudan served to compensate for, and deflect attention from, the total surrender of the Clinton administration in the face of Saddam Hussein's determination to rebuild his weapons of mass destruction.

On the same day the Tomahawk missiles went out, the United States was forced to support a humiliating Security Council statement that pitifully called Saddam's expulsion of

inspectors "totally unacceptable" while dropping previous warnings of "severest consequences."

Having announced to the world that he would no longer send bombers out after Iraq's weapons of mass destruction, Bill Clinton sent missiles out after Osama bin Laden.

Of course, the bin Laden raid is fully justified on its own terms. When American em-

bassies are attacked by a terrorist group openly declaring war on the United States, retaliation is to be expected.

But for six years this administration has pursued a foreign policy of romantic internationalism, trusting American security to treaties whose purpose is to abolish all the nastiness of the world — chemical weapons, nuclear tests, global warming — with the stroke of a pen.

Its only activism has been the injection of American force into two areas posing no threat whatsoever to the United States (Bosnia and Haiti) and deepening U.S. involvement in a third sideshow (Somalia). All the while, it abjured any significant use of force against those posing real and deadly threats to the United States: North Korea, Iraq, Iran, terrorists.

In 1994, North Korea broke the Nuclear Nonproliferation Treaty and embarked on nuclear building. How did Mr. Clinton react? By agreeing to supply it indefinitely with free oil while the United States and allies build for it two (ostensibly safer) \$5 billion nuclear reactors in return for a promise to freeze its weapons program.

It turns out that while taking this gigantic bribe North Korea was building a huge new nuclear facility inside a mountain. Add now Iraq. In a televised address to the nation in February, Mr. Clinton starkly declared what was at stake if Saddam was allowed to build his weapons of mass destruction: "If we fail to respond today, Saddam and all those who would follow in his footsteps will be emboldened tomorrow by the knowledge that they can act with impunity."

That was just six months ago. And now? The speech is retracted; the policy of forcing inspections is dead. Saddam can build his chemical, biological and nuclear arsenal unimpeded.

In the face of these retreats, Mr. Clinton could not remain

motionless after the bombing of two American embassies without forfeiting what little international credibility he had left. The administration itself inadvertently made the connection to Iraq when it justified the attack on the Sudanese factory with the claim that senior Iraqi scientists were helping to make VX there.

Well, senior Iraqi scientists are making a lot more VX in Iraq. But Mr. Clinton has given up the idea of raising his hand against these plants, so Sudan's served as a useful proxy.

Even a proxy attack can be useful if it signals a turning point in Clinton foreign policy, a decision to no longer permit America to be the doormat of tyrants. More likely, however, the bin Laden raids will turn out to be a spasm, a solitary and desperate attempt to divert attention from the foreign policy of least resistance, and failure.

Washington Post Writers Group

## Can't the Sudan Evidence Be Shared?

THE case against Osama bin Laden is clear-cut. Through his self-proclaimed sponsorship of terrorism against the United States, he has in effect declared war on it. So it was proper to strike at his camps in Afghanistan without warning.

The strike against Sudan is more complicated and requires detailed clarification if the Clinton administration is to garner the support it needs from the international community.

Sudan is on the short list of states accused of sponsoring terrorism. Still, it is not a failed state like Afghanistan, with no credible central government. It has diplomatic relations with most of the international community, including the United States.

At the time of the bombing, U.S. relations with Khartoum were badly strained, but discussion was possible through back channels. Such contacts were good enough to secure Mr. bin Laden's expulsion from Sudan in 1996, before he moved on to Afghanistan. Why were those channels not tried before an attack was launched?

Sudan has protested the attack on Shifa Pharmaceutical Industries, claiming that it was not a plant to build important components for chemical weapons but a benign commercial venture that produced half of the country's medicines.

In response, the Clinton administration says it has evi-

dence that Iraqi scientists were helping to produce elements of VX, one of the deadliest nerve agents in existence, at the plant. The claim rests on a soil sample secretly obtained months ago outside the factory.

So far, American officials have rebuffed calls from Sudan and other countries to share that evidence. On Monday, the UN Security Council put off a request by Arab nations to send inspectors to search the rubble in Khartoum for signs of chemicals related to VX. The United States seems to have rejected that request.

If this evidence is as compelling as the administration says, why not allow others to judge for themselves? An independent UN commission, for example, might do the job.

There may be legitimate concerns behind the administration's insistence on keeping its intelligence operations secret — for instance, the danger of putting human lives at risk. If that is a fear, those people can probably be moved to safety.

If there is strong evidence that the Shifa plant had become a site for producing VX, the attacks can be justified. But until the administration discloses the evidence it has, worldwide skepticism will continue.

—Milt Bearden, a former CIA chief in Pakistan and Sudan, commenting in The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Women Toreros

MADRID — The bull ring was overflowing to witness several quadrillas of young women, executing all the feats of the toreros. They did their work admirably, Senorita Pretel killing three bulls. The public were enthusiastic, and presents were showered into the ring. The male toreros are furious. Guerrita shows his gallantry by pettily giving publicity to the statement that he will not appear in any bull ring where the women toreros have been for one month afterwards. Some say that the "national festival" has been killed.

### 1923: Married Women

PARIS — [The Herald says in an Editorial:] A young actress refused to sign a contract with a New York manager because it contained a clause barring her from marriage until its term should have expired. The old

question of the efficiency of married women in the professions will not lie down. In most of these occupations young women are really transients. The tendency of the average woman is to quit the job in the office for the more congenial one at home. Were it otherwise, with the present call to earn money and to make their late girlhood as independent as possible, the family, the basis of all civilization, would be in very great danger.

### 1948: White Australia

SINGAPORE — Two Australian women whose Malayan husbands were deported from Australia under the commonwealth's "White Australia" policy have arrived in Singapore and have gone to live in thatched huts with their Malay husbands, who are seamen. Around widespread local criticism of the Australian policy,

### Herald Tribune

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Tel: (1) 41 43 93 00. Fax: Subscri. (1) 41 43 92 10. Advertising: (1) 41 43 92 12. News: (1) 41 43 93 38.  
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S.A.S. au capital de 1.200.000 F. RCS Nanterre 8223021A. Commission Paritaire No. 61337.  
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## OPINION/LETTERS

People Are Getting Tired  
Of Rabid Investigations

By Robert J. Samuels

WASHINGTON — By the polls, Americans are of two minds about President Bill Clinton. Their opinion of him as a person is sinking. A Time survey after his speech last week found that slightly more people do not respect him (50 percent) than do (48 percent).

Most think he is still lying. "Do you believe him when he said he didn't ask anyone to lie?" was one question. The response: Fifty-one percent said "no," 38 percent "yes."

But Mr. Clinton's job approval rating remains high. A Newsweek poll put it at 62 percent. And 50 to 70 percent of Americans (by many polls) reject impeachment or believe that the independent counsel's investigation ought to end.

Many theories have been advanced to explain this apparent contradiction. With a strong economy, it is said that Americans do not want to disturb the status quo. Another theory is that although people do not trust Mr. Clinton, neither do they trust the Republican Congress; they like the existing balance of power and value Mr. Clinton's ability to frustrate his opponents. Then there is the notion, supported by many polls, that people distinguish between private behavior and public performance; the anti-terrorist attack last week may increase the importance of this factor. Finally, there is "scandal fatigue."

All these theories may be somewhat true. But I think something else also accounts for public ambivalence toward Mr. Clinton and his scandal. It is a backlash against what I once called "the attack culture." This is the corruption of normal public investigations — by congressional committees, the press and independent counsels and prosecutors. They become less concerned with uncovering wrongdoing than with politically ruining the accused.

People instinctively find the process baffling, unfair and self-destructive. They do not wish to reward and perpetuate it by making Mr. Clinton the latest and largest kill.

I use the word "kill" advisedly, because we in Washington treat the entire process as blood sport. We constantly speculate on the tactics and motives of the players. We handicap Mr. Clinton's chances of surviving and sermonize on everyone's ethics. This has become a booming cottage industry for the press, lawyers, politicians and publicists. Rarely has so much been said by so many on the basis of so little.

On one level, it is hard to accept all the public's expressed distaste for this. Many people enjoy the spectacle. The story is so rich in betrayal, deceit and hypocrisy — as well as sex and power — that it is inherently gripping. Mr. Clinton, if nothing else, has achieved the final merger of entertainment and politics.

But at another level, the public genuinely disapproves of the process that brought Mr. Clinton low.

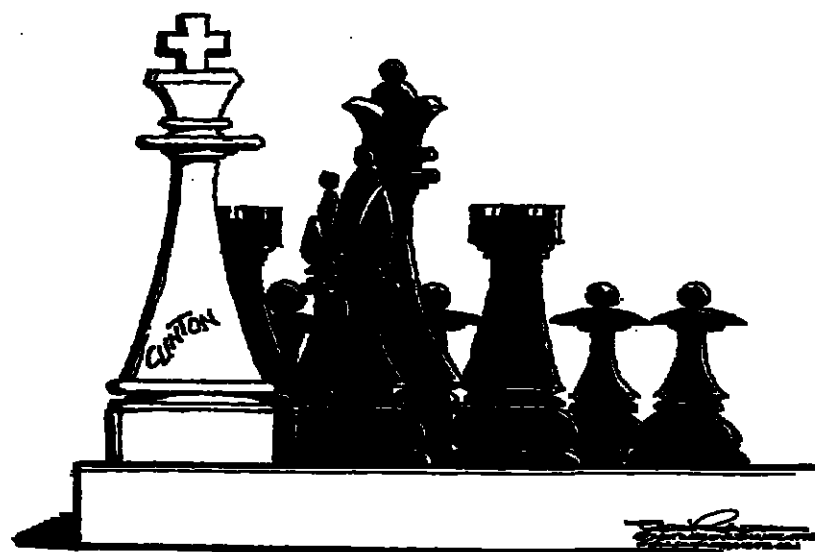
This is not just a reaction to his plight. It is a broader rejection of the attack culture as it has been practiced by both

parties and many individuals. People believe that investigations, by their relentlessness and publicity, aim to convict the accused in the court of public opinion. People see that investigations, once unleashed, often take on a life of their own and become disconnected from common sense and common decency.

Although none of this excuses Mr. Clinton, it tempers public outrage. People sense that the process routinely converts small offenses into large crimes. A four-year investigation led to the indictment of a former agriculture secretary, Mike Egan, for accepting \$35,000 in allegedly illegal gifts. Ironically, Mr. Clinton benefited from a vague sympathy left by some earlier targets of the attack culture.

Americans believe that no one should be above the law. But they also believe that laws should be fairly administered and not strewn with so many technical prohibitions that almost anyone might violate one.

People know that investigations are frequently used selectively for partisan purposes. They are as cynical about the investigators as the investigated, suspecting that people are building reputations and settling scores. And there is a fear that the process might be manipulated to usurp democratic prerogatives. After all, Americans did re-elect Mr. Clinton despite ample



evidence that he was a confirmed womanizer and a regular liar.

The prejudice against nullifying the election is strong and, in my view, sensible. Kenneth Starr's low ratings, measurable popular misgivings. A New York Times poll finds that only 19 percent of the public judges him favorably.

In Mr. Starr's defense, it ought to be noted that his "excesses" — summoning Secret Service agents to testify before a grand jury, for example — flowed from Mr. Clinton's excesses in concealing the truth.

That said, the truth is not so horrifying to most Americans that they want to subject the country to a long, degrading impeachment.

I doubt Mr. Clinton can take much

comfort in this. People will not easily forgive him for putting the country in this predicament. And if the evidence becomes more damning or the scandal drags on, an irritated public might see resignation as the best exit.

But today's ambivalence holds a larger message. It is a plea for a better balance between accountability in government — and politicians' instinct to attack each other. There are ways to do this: narrowing the independent counsel law; clarifying other laws; exercising self-restraint. It seems unlikely that a generation of politicians schooled in the methods of partisan loathing will heed the message.

The Washington Post.

## Call Off This Politically Motivated Travesty

By Charles Levandosky

CASPER, Wyoming — Don't you just love it? All those moralists thumping their chests and wagging their accusatory fingers at President Bill Clinton. They have eagerly read and memorized the varied accounts of Mr. Clinton's affair and throughout it all checked their tongues disapprovingly — while lapping up a daily diet of alleged scandal details.

They can be trifled and self-righteous at the same time — such is the hypocrisy of America's puritan heritage.

Meanwhile, the media have danced like a gaggle of gleeful puppets in this long charade, playing to the sexual schizophrenia of the American public.

Sex: As a nation, we Americans do not know what to do about it. Some want all references to sex eliminated from books and the Internet, others will buy something they do not need if it is sold in a sexy manner, as any advertising director can verify.

Self-righteous moralists cannot get enough of the nitty-gritty on the president's sex life — so they can feel and act superior. They would deny, however, any tingling sensations that might arise from their puritan interests.

Last week, a homed and subpoenaed Mr. Clinton finally publicly admitted that he had sex — a "not appropriate" relationship, as he

called it — with Monica Lewinsky. Even so, he did not quite confess to what he had denied previously.

Some pundits act shocked; others call for him to step down — as if Mr. Clinton were the only president who had affairs while in office. These commentators act as if they are totally naive about the relationship between power and sex. Power is an aphrodisiac, to those who have it and to those in proximity.

Others comment that Mr. Clinton's presidency will be diminished in the view of history. Have any presidencies been diminished historically because of rambunctious sexual cavorting? Not one — from Washington to Jefferson to Kennedy and Johnson. Presidents are historically judged on leadership and the state of the nation when they ended their tenures.

Were any of the two dozen known philandering presidents forced to admit that they had affairs while in office? No.

Is a president's sexual behavior the public's business? Generally, no.

The only time such revelations would be important is if there was a significant showing that the president's ability to lead the country was severely compromised by the relationship. There has been no such showing.

What has hampered the president is Kenneth Starr's politically motivated investigation. Through his actions, the independent counsel may have seriously diminished future presidential prerogatives.

Mr. Starr has taken years and is spending what some estimate will be \$50 million to uncover an illicit relationship between two consensual adults. Was it worth it? Only to those Republicans who have been harboring retribution in their dark hearts — anxious to pay back Democrats for bringing down Richard Nixon.

After the air strikes in Afghanistan and Sudan, two Republican senators, Arlen Specter of Pennsylvania and Dan Coats of Indiana, cast doubt on the president's real motivation. They intimated that the attacks were to deflect the public's attention from the Lewinsky matter. Paybacks for Mr. Nixon.

If Mr. Starr's \$50 million were to split into 50 portions, \$1 million to investigate each state house in America, there would be many uncomfortable governors looking for places to hide.

Perhaps sex is not your Achilles' heel — perhaps it is greed, or cruelty, or alcohol, or temper, or lack of courage. A hound-dog prosecutor like Mr. Starr could make you look like a fool.

Why would anyone be shocked that the president denied a sexual liaison with Ms. Lewinsky? Most men and women when asked about an illicit sexual relationship deny it.

Imagine also that the answer is going to be broadcast to the nation. Wouldn't most people deny? The real question is: Why is it anyone's business?

The Starr investigation was out-

rageously rampant — from an Arkansas land deal to sex in the Oval Office — but politically impossible for a Democratic president with a Republican-controlled Congress to stop.

Mr. Starr conducted a fishing expedition that eventually found evidence of the president's weakness. He has such latitude, money and resources and political motive that anyone he targets can be brought down.

Special prosecutors can be useful to the public when they bring to light fraud and illegal activities of those in high office. But Mr. Starr has crossed into a tawdry, tabloid-style investigation.

It's up to the people to put an end to this travesty. The special prosecutor law must be revised and strict restrictions put on the office. The sooner, the better.

The writer, a specialist in First Amendment issues, is editorial page editor of the Casper (Wyoming) Star-Tribune. This comment was distributed by the New York Times News Service.

Only a Shadow of Chivalry  
Remains in Today's Wars

By Tina Rosenberg

NEW YORK — Agincourt's most famous chronicler has ensured that the battle will be forever known for Henry V's oration to his far outnumbered forces.

In "Henry V," the speech Shakespeare writes for King Henry is a masterful call to honor and duty. What is less remembered is that after defeating the French, Henry grew fearful

of the warring class, allowing the loser in hand-to-hand combat to receive mercy and the winner ransom. They enforced the romantic ideal of the loyal, courageous knight.

They were largely unwritten, although Henry V set down some laws prohibiting warriors from raping women and harming people or property belonging to the church. There were even chivalric courts, and a French knight could sue an English knight in English chivalric court for nonpayment of ransom and win. The more efficient enforcement, however, was knightly fear of disgrace.

The rules were generally followed in knight-to-knight combat, but did not necessarily apply to commoners. They also held only in Christendom. Wars against those considered infidels were free-for-all.

The religious wars that split Europe after the Protestant Reformation were particularly brutal. Hence chivalry's decline by Shakespeare's time.

It also fell because of technology, as muskets and arrows depersonalized combat.

Mr. Meron points out the effectiveness of a code of behavior cherished by the knights themselves. But such a culture of honor in combat is unrealistic in the modern world. Today's laws of war recognize that peasant as well as nobleman, infidel as well as Christian, deserves protection.

Technology has gone far beyond the musket in depersonalizing war, now often fought against enemies half a world away and easier to demonize with each mile. Some of the most brutal recent conflicts, however, have been fought not with missiles but with hoses, machetes or pistols, as neighbor killed neighbor in Cambodia, Rwanda and Bosnia. Honor is lost in wars that attempt to wipe out a whole category of civilians, whether they are Tutsi or Muslim or class enemies.

The only way chivalric rules appeal to the self-interest of warriors today is that widespread abuses tend to create more enemies — see Kosovo for the latest example. Yet leaders will continue to commit war crimes when they find advantage in it.

"For when lenity and cruelty play for a kingdom, the gentler gamester is the soonest winner," Shakespeare's Henry V told his troops. One act later, he ordered his men to kill their prisoners at Agincourt.

The New York Times.

## BOOKS

## STALINGRAD

By Antony Beevor. Illustrated. 494 pages. \$35. Viking.

Reviewed by Richard Bernstein

WITH the world talking about "Saving Private Ryan" and the horrors of combat, it is useful to remember that the most terrible battle of World War II came not with the D-Day landings but with the savage four-month German-Soviet battle of Stalingrad.

Put it this way: The Normandy landings resulted in some 10,000 Allied battle deaths. During the nightmarish months of total war at Stalingrad, the combined battle deaths exceeded 1 million.

The colossal scale of Stalingrad — the megalomania, the utter absurdity, the sheer magnitude of the carnage in what many military historians see as the turning point in the war — are marvelously captured in Antony Beevor's new history, "Stalingrad."

Beevor, a former British Army officer and the author of several studies of war, provides a vivid and detailed account of the Stalingrad conflagration, beginning with Operation Barbarossa, the 1941 German invasion of the Soviet Union, and ending with the surrender of German generals on the Volga River a year and a half later. But Beevor has also compiled a vivid record of the interior nature of the battle, from the slang expressions used by the soldiers to the Russian cult of the sniper and the German fascination with suicide rather than surrender.

If there are weaknesses in Beevor's account, they stem from the size of the operations, the staggering number of individual events that made up the battle. Unless readers constantly shift back and forth between Beevor's text and the few maps that illustrate it, it is easy to get lost in the multiplicity of place names and unit numbers that make up the narrative.

Beevor describes a number of key commanders and sketches in the divisions among the aristocratic German officers, some of whom were slavishly devoted to Hitler while others yearned ineffectually to save Germany by depositing him.

Strangely, though, the dramatic personae of Beevor's tale remain somewhat faceless, colorless, their individual features overwhelmed by the surrounding chaos.

Still, "Stalingrad" is a formidable military history, informed by Beevor's keen strategic sense and his appreciation of the complexities of battle. At the apex of his story are the two most preoccupying tyrants of 20th-century history, each of whose utter disregard for the sacrifice of his population emerged with full force in the Stalingrad saga.

In Beevor's view, Hitler was the worse of the two dictators as a military leader. Stalin, rigid and murderously awful as he was, nonetheless listened finally to his field commanders and approved of the grand strategy that eventually prevailed at Stalingrad.

Hitler, by contrast, was a meddling fantasist incapable of seeing facts that ran contrary to his vision. Hitler's imagined enemies before had been Jews and Communists, who were treated with the usual methodical Nazi brutality during the invasion of the Soviet Union; now the enemy was the aristocratic German officer corps, which allowed itself to be defeated by cowardice and caution.

"He lived in a fantasy world of maps and flags," wrote Winrich Behr, a panzer division captain sent to the Fuehrer's headquarters to convince Hitler that the encircled, starving, desertion-depleted 6th Army was about to be defeated, unless the order to retreat was given. But Hitler thought only about a brilliant counterstroke. "It was the end of all my illusions about Hitler," Behr wrote.

Germany, like France under Napo-

leon, was defeated by a combination of factors: the vastness of the Russian terrain, the length of the supply lines, the mud, the cold, the grit that spoiled tank engines. But as is well-known, what most foiled the Germans was the willingness of the Russians to fight on until they died. Beevor does not mythologize here. He provides examples of Russian cowardice, the desertions, the German ranks filled in with *Hilfswillige*, or volunteer helpers who had come over from the Soviet side. But he gives the Russians due credit for a fanatical heroism in battle, and a discipline that was at least in part a product of the Soviet system.

"That the Soviet regime was almost as unforgiving toward its own soldiers as toward the enemy is demonstrated by the total figure of 13,500 executions, both summary and judicial, during the battle of Stalingrad," Beevor writes. Red Army soldiers were shot if they deserted. They were also executed "if they failed to shoot immediately at any comrades seen trying to desert or to surrender to the enemy."

Stalingrad could also be seen not just as an illustration of total war but as the ultimate in totalitarian war as well. It was warfare waged under the ideology that the utopian state is the highest value, one for which no sacrifice is too great; hence neither side tried to limit civilian casualties or to spare the lives of troops when possible. The Germans used the technique of carpet bombing pioneered at Guernica during the Spanish Civil War. They deported some 60,000 civilians from Stalingrad to Germany for slave labor. Of the 10,000 men in the Russians' 13th Guards Rifle Division, only 320 were still alive at the end of the four-month battle.

Stalingrad is, in short, a fantastic and sobering story, and it has been fully and authoritatively told in Beevor's book.

New York Times Service

## Next, Clinton vs. Congress?

By David S. Broder

COLIET, Illinois — A Congress controlled by the opposition party is always a tempting target for a beleaguered president. In the 50 years since Harry Truman triumphed at the expense of the "good-for-nothing, do-nothing 80th Congress," his example has never been forgotten.

About two hours before Bill Clinton announced the retaliatory strikes in Afghanistan and Sudan, I was sitting in a restaurant in this old, industrial town outside Chicago with Republican Representative Jerry Weller. Like all his colleagues, he is acutely conscious that a shift of only 11 seats in November could cost them their majority.

Musing on the fallout from the Lewinsky scandal, Mr. Weller said: "I wonder if this will cause the president to take greater risks, to challenge Congress, to use his veto power to force a shutdown of government and divert the voters from his own problems. He might pick a couple popular issues and try to rally support for himself."

In the winter of 1995-96, when his job rating was much lower than now, he forced exactly that kind of governmental crisis. He convinced the public that he was fighting to save Medicare from the new Republican majority on Capitol Hill, and saddled the Republicans with blame for the shutdown. It was a key step in his rehabilitation and eventual re-election.

There is no shortage of issues he could use. Almost every appropriations bill now working its way through Congress contains provisions obnoxious to Mr. Clinton. His own initiatives have been shortchanged or killed.

Measures that commanded strong popular support when he introduced them in January in the State of the Union address — expansion of Medicare, help for school construction and hiring of new teachers, curbs on tobacco, etc. — have been shelved by Congress.

He could easily find a pretext for vetoing the bills that would keep the government running beyond the start of the new fiscal year on Oct. 1 and demand that Congress stay in Washington, rather than go home to campaign.

The Republican plan to meet this challenge is twofold. The Republican National Committee is already siring ads telling voters that President Clinton will be to blame if the government is shut down. And Republican leaders plan to respond to vetoes of individual appropriations bills by passing a continuing resolution — a catchall measure to keep all federal departments operating at current levels — and during Mr. Clinton to reject it.

It could become a high-stakes gamble for both sides. Add in the uncertainty over the timing and contents of the report to Congress by the independent counsel, Kenneth Starr, and you have the makings of high drama this autumn.

The Washington Post.

## LETTERS TO THE EDITOR

## On Malaysian Law

In response to "Top Opposition Figure Imprisoned in Malaysia" (Aug. 26):

The imprisonment of Lim Guan Eng, a member of Parliament, is a damning indictment of Malaysia's legal and judicial system.

Even if Mr. Lim was guilty of making some baseless allegations in his attempt to ensure justice for a minor and her family, he should not have been handed such a severe sentence. The court should have taken into account the fundamental principles involved: Mr. Lim's concern for justice; his role as a member of Parliament; his right as a citizen to express a position on a matter of public concern.

His imprisonment is not only a setback to democracy, but also a severe blow to the ordinary Malaysian's freedom of expression. The rule of law has been trampled by this episode. What is the meaning of rule of law when it is not informed by a sense of justice and fairness?

CHANDRA MUZAFFAR, Petaling Jaya, Malaysia.

The writer is president of the International Movement for a Just World.

This judgment, which has to be taken as a statement of the present law on the scope and limits of the right to comment on matters of public interest, will have a restrictive and dampening effect on freedom of speech.

Therefore, there is an urgent need to liberalize Malay-

sia's seditious law and other laws that fetter freedom of speech. It is part of the democratic process that elected representatives should be able to comment on matters of public concern in the discharge of their duties.

The Bar Council considers it time for Parliament to review the laws that hinder this process. This reform is needed if Malaysia is to fulfill its stated goal of achieving greater transparency and accountability in public affairs.

CYRUS V. DAS, Kuala Lumpur.

The writer is president of the Malaysian Bar.

## Afghan Conflict

Regarding "Blame Pakistan for the Continuing Afghan

Conflict" (Opinion, Aug. 24) by Amin Saikal:

Ever since the Taliban appeared on the scene, the world has been wondering who gave these religious "students" pocket money to buy artillery, armor and aircraft.

Afghanistan's increasingly worried neighbors have known about Pakistan's role from the beginning. But until the Taliban's recent sweep into the north, they reluctantly put up with Islamabad's stonewalling.

Mr. Saikal's lucid analysis shows how even an impoverished state like Pakistan can harbor territorial ambitions as long as a rich one like Saudi Arabia opens its purse strings and Washington winks from afar.

KEWMAR BOZORGMEHR, London.

## By Alan Truscott

For intermediate players, a computer program that talks back when you are in play or defense has advantages over a silent book. One such program, "Bridge Trix," prepared by Bob Wolff in collaboration with Neil Cohen, will challenge players at many levels. A demonstration can be viewed at [www.bridgetrix.com](http://www.bridgetrix.com).

The first subject is winning and ducking tricks and the diagramed deal would defeat some experts. North's invitational raise to four no-trump is aggressive, but the potential for making five club tricks justifies optimism. South continues to six no-trump. A spade lead would be inconvenient. South would

have to play dummy's queen and hope for five club tricks if East produced the king. Luckily, West has a natural heart lead, and South has breathing space. After winning in the closed hand, he may finesse the queen or jack of clubs. When this wins, the declarer must change gears.

He knows that he has four tricks readily available in the major suits. If he can make four diamond tricks, four club tricks will suffice. But if there are only three diamond tricks to be had, five club tricks are necessary.

So South must test the diamonds before he does anything else in the club suit. He now cashes two top diamonds, which is something he could have done at the second and third tricks. If a

bad split is revealed, South must try for five club tricks by taking a normal second finesse of the queen or jack.

But if the diamonds divide normally, with both defenders following twice, South can indulge in a safety play to improve his chances of making four club tricks. He should now finesse the club nine, guaranteeing the slam against any club distribution. With the actual distribution, the nine wins, East shows out, and the declarer can take another finesse to make his slam. But if the declarer routinely finessses the club queen or jack the second time, the slam would fail. South will have 11 tricks, but cannot make a 12th. No endplay or squeeze will succeed.

Playing diamonds before making a final commitment in clubs is a "discovery" play, an important technique that is often overlooked.

NORTH  
♠ Q 8 5  
♥ 7 2  
♦ 5 4 3 2  
♣ A Q J 9 4

WEST  
♠ 10 8  
♥ J 10 9 8  
♦ J 10 9  
♣ K 10 8 3

EAST  
♠ K J 9 7 2  
♥ 7 6 5 4 3  
♦ 8 7  
♣ 5

SOUTH (D)  
♠ A 4 3  
♥ A K Q  
♦ A K Q 6  
♣ 7 6 2

North and South are vulnerable. The bidding: South West North East 2 N.T. Pass 4 N.T. Pass 6 N.T. Pass Pass Pass

West leads the heart jack.



## INTERNATIONAL

## Bin Laden's Murky Financial Web — and a Gift by Kin to Harvard

By Anne E. Kornblut  
and Aaron Zitner  
The Boston Globe

BOSTON — Long before the bin Laden name was associated with international terrorism, it stood for wealth, and students at Harvard University needed to look no further than their handbooks to understand why.

As a result of the "generosity of the Binladin family," two graduate fellowships were established at the university in 1992. Both are devoted to Islamic studies, and both are named after the prominent Saudi Arabian family, worth about \$3 billion. The name appears as "Binladin," one of several spellings, in

a Harvard University Web site.

But it was from this dynasty that Osama bin Laden, who is accused of funding the bombing of two U.S. embassies in Africa, arose and inherited about \$250 million before he fled to Sudan. He departed the family construction empire nearly a decade ago, taking with him, U.S. officials believe, the business savvy of his father.

Now, Mr. bin Laden threatens to cast a shadow not only on the Harvard fellowships but also on a variety of connections other members of the bin Laden family have with the United States.

In addition to the Harvard fellowship, one of Mr. bin Laden's brothers is attending Harvard Business School, ac-

cording to a report in the British newspaper The Independent. That brother, who shares the same father with Mr. bin Laden but has a different mother, could not be reached for comment Tuesday night.

In a greater irony, the bin Laden family construction company has won a \$150 million contract to replace Khobar Towers, the U.S. military residence in Dhahran, Saudi Arabia, that was destroyed by a terrorist bomb in June, 1996, killing 19 people and injuring 160. Some U.S. officials believe Osama bin Laden was involved in that attack.

Bin Laden beneficiaries have begun to mount their defense. A Harvard spokesman, Alex Huppe, differentiated between the family and the alleged terrorist,

saying, "It's clear the Saudi bin Laden money is being put to good use here."

Osama bin Laden was officially banned from Saudi Arabia in 1991. A former CIA analyst, Kenneth Katzman, said the family link is now tenuous at best, but several U.S. specialists say that he is still in contact with some of his brothers. Officials believe his siblings may number as many as 52.

Mr. bin Laden, 41, is accused of masterminding the Aug. 7 bomb attacks on U.S. embassies in Nairobi and Dar es Salaam, Tanzania, that killed 257 people.

Following those attacks, and later threats by a spokesman for Mr. bin Laden, intelligence officials have announced their intent to strike at the heart of his operation: his fortune.

Some of his financial interests are known: Mr. bin Laden poured \$50 million into the Al-Shamal Islamic Bank in Khartoum, for example. He also established Wadi al-Aqiq Company Ltd., a Sudanese import-export company that markets agricultural products, according to the U.S. State Department.

Then there are shakier reports: that Mr. bin Laden has played a major role in providing American manufacturers with gum arabic, a substance used in soft drinks,

candy and other products. Or that he has secreted millions in Swiss bank accounts.

The problem, said Yossef Bodansky, director of the U.S. House of Representatives' Task Force on Terrorism and Unconventional Warfare, is that "there is no bin Laden Incorporated."

"That doesn't exist," he said. "There is not something you can go to and say, 'That belongs to him 100 percent.'"

He also knows that everyone will go after him," Mr. Bodansky said, "so he has carefully concealed what he has."

The State Department says it has tracked down at least some of Mr. bin Laden's business dealings, and it credits him in a 1996 report with having "secured a near monopoly over Sudan's major agricultural exports of gum," as well as several other products.

Sudan produces 70 percent to 90 percent of the world's gum arabic, but Sudanese and U.S. companies deny that Mr. bin Laden has any role in the gum arabic trade.

The chairman and general manager of Gum Arabic Co. Ltd., which holds the monopoly on Sudanese production, sent a letter Tuesday to U.S. partners saying that the allegation of a bin Laden role in the company was "completely baseless."

The chairman, Omer Mubarak, and general manager, M.M. Karama, wrote that Mr. bin Laden was not an investor, trading partner, financier or beneficiary of the company's activities "in any form."

Meanwhile, others contend that Mr. bin Laden's wealth has been wildly exaggerated and point to the decision by the Saudi government to freeze his bank accounts after pulling his citizenship.

Barri Arwan, the editor of the London-based Arabic paper Al Quds Al Arabi, said that when he spoke with Mr. bin Laden in 1996, the Saudi exile said he had also invested badly in Sudan, greatly diminishing his wealth.

According to a State Department report, Mr. bin Laden's Al-Hijrah for Construction and Development Ltd. built a major road between the Sudanese capital, Khartoum, and Port Sudan, a contract that would normally bring a handsome return. But Mr. bin Laden claims he was never paid for the 1994 project, the editor said.

Mr. Katzman, the former CIA analyst, described the convoluted financial web as the biggest problem investigators have faced so far. The monetary pursuit, he said, is in its "very early infancy." He added, "They're not even off square one."

## CAMPS: Guerrillas in Afghanistan Brush Off Bombing by U.S.

Continued from Page 1

cross-section of Latin America's Marxist revolutionaries in the 1970s.

And just as the United States had some troubles fighting guerrilla wars, its missile attack last Thursday, simultaneously with one on a pharmaceutical factory in the Sudan, demonstrates that high-technology wizardry developed to fight a war against another superpower may not be appropriate for a sophisticated war against terrorism.

Whether or not the missile attack accomplished its goal of damaging Mr. bin Laden's ability to carry out terrorist attacks on Americans and American institutions, it jarred some guerrilla operations that were aimed at other countries.

Intended or not, Washington eliminated guerrillas preparing to go back to fight in Turkey, Algeria, Egypt, Saudi Arabia and India. Earlier graduates have also fought in Bosnia and Chechnya.

The American missiles struck four camps in Afghanistan. Two, near Khost, were used for training Pakistanis and Kashmiris for the war against India in Kashmir. The third, Al Farooq, which was nearby, was used primarily by Arabs from many countries.

The fourth camp, Al Badr, 16 kilometers (10 miles) west, was an Arab camp run by Mr. bin Laden; reports filtering out from Afghanistan are that this camp was badly damaged and that the casualty figure may be high.

One of the worst-hit camps was operated by a fundamentalist Islamic organization in Pakistan called Harakat Mujahidin, or Movement of Holy Warriors. At least 21 people were killed.

The camp had been called Harakat Ansar, until the name was changed after the State Department put that organization on its terrorist list last year.

Harakat Mujahidin leaders, as well as survivors of the attack, have insisted that the camp was only for religious purposes.

The camps are only a few kilometers from the Pakistani border, and people and supplies, including weapons, moved freely across Pakistan to and from the camps for many years.

"We always told the Pakistanis there are dangers in allowing these camps," said a senior, non-American, Western diplomat.

"They always denied they had any connection. Last year the Russians showed them pictures of weapons going from Pakistan to the camps."

The Pakistani government dismissed the photos as fakes, the diplomat said.

Efforts to get a comment from the Pakistani government were unsuccessful. Neither the Foreign Ministry nor the Ministry of Information returned phone calls.

A senior diplomat from another major U.S. ally said there was "no doubt" that the groups that had trained in the camps in Afghanistan had received assistance

from Pakistan intelligence services. He said that the nature of assistance changed over time and that when the situation got too hot politically, the intelligence service would back off for a while.

One of the groups that trained in Afghanistan with help from the Pakistan intelligence service was the Hizbul Mujahidin, or Party of Holy Warriors. This is the group in which Mr. Zamin, the lawyer, is a senior commander.

More than 20,000 men from his group were trained at the camps in the last six years, he said.

The training day begins before dawn with prayers, followed by an hour or two of running up and down the mountains, then breakfast. The rest of the morning is for military training, including instruction in the uses of weapons: Kalashnikov assault rifles, mortars, rocket-propelled grenades and explosives.

After lunch and prayers, the afternoon is for the study of the Koran and sports. Then come dinner and bed.

In short, it is standard military basic

training, with the exception of the heavy religious component.

During what Mr. Zamin called the "ideological training," the focus is on the jihad against America and Europe, he said.

"We are not against the American people, we have no bad feelings toward them," he said. "We are against the American policy."

Speaking of his recruits, he asked, "Why does it matter to the Americans if they came here for training to fight against their regimes at home?"

In Algeria, he continued, fundamentalist Muslims are at war against a government that refused to yield power in 1992 after an election that the fundamentalists were on their way to winning. In Turkey, the army has refused to let Islamic political parties govern, even after elections, he charged. In Egypt, the government discriminates against fundamentalist Muslims, discouraging women from veiling themselves, he said.

## EXPLOSION: FBI Joins Investigation

Continued from Page 1

Osama bin Laden was responsible.

The bomb here, apparently left on the floor in front of the restaurant's shimmering blue-tiled bar, was much smaller and left a gunpowder smell in the air; it seemed to bear a similarity to pipe bombs used in warfare between drug gangs and anti-crime Muslim groups in the mixed-race neighborhoods near Cape Town.

Last month, a similar bomb blew up prematurely in a pickup truck, killing two men from People Against Gangsterism and Drugs whom police suspected were about to use it on someone else.

No Americans were hurt in the blast. Ten of the injured were British, the police said, one was Argentinian and the rest South African. The dead man, Fanie Schoeman, 50, and some of the worst injured were all Standard Bank employees holding a going-away party for a colleague moving to England.

Two of the seriously injured were an 8-year-old British tourist, Laura Giddings, who had a leg blown off, and her 2-year-old brother, Jacob, who had serious spinal injuries. A witness said "It looked like someone just took an ice cream scoop out of the little boy's back."

Representatives of Muslims Against Global Oppression repeatedly denied that the group was responsible.

"We unreservedly condemn the attack, we don't have anyone named Jihad al-Haq in our organization as far as I know and we sympathize with the victims of the attack," one said.

In a 5 P.M. talk show on Muslim community radio, members of the group suggested other possible scenarios. One

said the bomb might have been "a means to divert people from attending a march" on the U.S. Consulate here that is planned for Saturday.

The minister of safety and security, Sidney Mufamadi, said, "There are firm leads which are being followed, and the firmness of the leads gives rise to optimism that there will soon be a breakthrough."

He declined to say what he meant by "soon."

The South African Broadcasting Corporation said it had a tape of possible suspects but would not air it because of the ongoing investigation. Local newspapers said videotapes had been retrieved from security cameras inside Planet Hollywood.

The front of the restaurant was wrapped in rolls of concertina wire Wednesday to keep the curious back. About 30 bunches of flowers had been left there, some of them hanging on the razor wire.

The normally bustling waterfront tourist area was very subdued. Restaurants that usually turn away anyone without reservations had tables begging.

"Normally it's busy now, but it's very quiet," said Marilyn Fick, a waitress at Delectable Deluxe Donuts. She said she was across from Planet Hollywood when the bomb went off. "There was a lady screaming 'I can't see! I can't feel my face!'" she said.

"They carried out a lady with her foot off. I was shocked. I just started crying and walked away. They had to give me sugar water at the medic station. I was so upset."

Police said Marcus Dudley, a chef, was a hero, rushing into the smoking building to help remove survivors.



Russians waiting outside a Moscow bank Wednesday to enter, one by one, to take money from their accounts.

## IMF: Russia Crisis Forces Fund to Bend Policy on Debt Repayment

Continued from Page 1

happened with IMF blessing since the Latin American debt crisis of the 1980s.

What's more, the fund has shifted away from demanding of the Indonesian government one of its standard austerity measures: a budget surplus. That demand ended last month when the IMF agreed instead to enough extra government spending to run up the deficit to 8 percent to 10 percent of the total budget.

"I don't think we have ever at the IMF had a program where we targeted a fiscal deficit as large as 8 to 10 percent," Mr. Boorman said.

Russia puts the fund much more on the spot. The fund had authorized a \$22 billion loan to Russia, only to have the Russians, earlier this month, devalue their currency and change the repayment terms for much of its debt, including the \$40 billion in short-term government paper.

Foreign investors, converting dollars to rubles, had bought about \$10 billion of this total, and now that the repayment has been prolonged, ruble devaluations are likely to wipe out some of their investment. The stretch-out terms, announced Tuesday, provide for interest payments in the 20 percent to 30 percent range, annually — probably not high enough to offset ruble devaluations.

Stanley Fischer, the fund's first deputy managing director, offered an angry characterization of the Russian initiative. "The IMF regards the fact that Russia was unable to meet its commitments and has had to restructure them unilaterally as extremely unfortunate and regrettable," Mr. Fischer said. "The nature of the international economy will change if this is the way business has to be done."

Does that mean the IMF will not make its next scheduled loan payment to Russia of more than \$4 billion, scheduled for next month? Not necessarily. The fund does not pressure banks to swallow loan write-offs against their wishes, but this time something like that could happen.

Russia must comply with some loan conditions, Mr. Fischer and Mr. Boorman said. Above all, the Russian Duma, or lower house of Parliament, and Prime Minister-designate Viktor Chernomyrdin must accept the IMF-imposed goal of a balanced budget in two or three years. But repayment to foreign lenders, in full, may be allowed to slip — if the government can demonstrate that it has no choice in order to revive the economy.

"If markets are going to operate properly," Mr. Boorman said, "and if markets are going to price risk appropriately, then in some circumstances that risk is going to materialize, in nonpayment of some debt, as it is materializing now."

Such issues are almost certainly on the table in the continuing discussions in Moscow between IMF and Russian government officials, and in related talks involving David Lipton, the Treasury Department's undersecretary for international affairs, who has traveled several times to Moscow in recent weeks, and is returning next week for President Bill Clinton's summit meeting with President Boris Yeltsin of Russia.

The IMF has relaxed its opposition to budget deficits. It has pulled back on its endorsement of unrestricted short-term lending across borders, recognizing that such loans set off the Asian crisis, when the lenders tried to call them in. And it is publishing, on the Internet, the texts of various agreements that in the past were not made public.

The IMF's shifting stance is not without precedent. Years of stagnant economies in Latin America followed the debt crisis of the early 1980s, when most Latin American nations defaulted on, or devalued, debt to foreign banks. After nearly eight years in which the banks tried to force repayment of the entire debt, the Reagan administration and the IMF brokered an agreement that guaranteed repayment, but of a greatly reduced amount.

But the Mexican debt crisis of 1994

met with stiff resistance on the part of the IMF and the Clinton administration to any debt write-offs or concessions in standard IMF practices. The same reaction greeted the Asian crisis.

When South Korean banks, for example, renegotiated their foreign debt late last year, the IMF blessed an agreement that stretched out repayment of short-term debts over several years, but called for repayment of the full dollar amount, with interest.

## RUSSIA: Prime Minister in Plea to IMF

Continued from Page 1

"We might be ready by next Monday afternoon," said Mr. Seleznyov, referring to the crisis document. "But we would not want to rush things since we are speaking about a very serious document."

In a television interview Wednesday night, Mr. Seleznyov again appealed for Mr. Yeltsin to resign — a call that a spokesman dismissed as "snipid."

Most analysts attributed the heavy trading on the Moscow currency exchange Tuesday to the central bank's continued supply of credits to Russia's troubled banks, and by its decision last week to lower the banks' minimum capital requirements.

This move freed ruble reserves, which the bankers then exchanged for dollars.

With the banking crisis threatening a collapse of the entire financial system, the central bank took its first tough action Wednesday by withdrawing the banking license of Bank AB Imperial, Russia's 13th largest bank, which had reportedly defaulted on loan payments.

An anti-crisis program, announced Aug. 17 by Mr. Chernomyrdin's predecessor, Sergei Kiriyenko, included a 90-day moratorium on debts owed by commercial banks to foreign lenders.

The government's plan to exchange \$40 billion held in Russian short-term Treasury bills for other longer term securities has also left foreign investors with a bitter taste.

Fitch IBCA, an international rating agency, lowered Russia's long-term currency ratings on Wednesday from B minus to CCC.

## STORM: Hurricane Hits North Carolina

Continued from Page 1

scale," a North Carolina emergency spokesman, Jeff Winstead, said.

More than 50,000 people in eastern North Carolina and thousands more along the South Carolina coast near Myrtle Beach were without power.

With sirens wailing, police and firefighters tried to encourage any stragglers to leave the resort islands east of Wilmington devastated by the hurricanes Bertha and Fran in 1996.

More than half a million people evacuated and thousands streamed into 85 coastal emergency shelters ahead of Bonnie's wrath. Predawn reports that the hurricane was lurking off North Carolina's southern coast sent officials scrambling to open additional shelters there.

"People just won't evacuate until the wind and the rain start, and then they all come on at the same time," said Cecil Logan, emergency coordinator in Brunswick County, home to Calabash, where 2,000 people were evacuated.

At 2 P.M. EDT on Wednesday, forecasters pinpointed the center of the storm's eye about 55 miles south of Wilmington, North Carolina, just off Cape Fear. The storm was centered near latitude 33.5 north, longitude 77.9 west, the Miami-based National Hurricane Center said. The storm was heading north at about 10 mph and forecasters said it would make a gradual turn toward the northeast on Wednesday night. It was expected to slow as the eye swirled over land. The eye was expected to go back out to sea at about 8 A.M. Thursday. Damage assessment teams were unlikely to reach the barrier islands until Thursday.

Bonnie swelled into a potentially devastating storm, with hurricane force winds extending up to 115 miles from the

center and tropical storm force winds up to 230 miles from the eye of the storm.

Hurricane warnings remained in effect from Cape Romain, South Carolina, northward to Chincoteague, Virginia, including the lower Chesapeake Bay and Pamlico and Albemarle sounds west of the Outer Banks. A hurricane watch was also posted from Chincoteague north to Cape Henlopen, Delaware.

While the storm approached the coast, another hurricane, designated Danielle, was strengthening over the Atlantic — 645 miles east-northeast of the Leeward Islands — and moving toward the northwest at 21 miles per hour.

It was much smaller than Bonnie but already had steady winds reaching 105 miles per hour and was expected to strengthen as it moved.

It was still too early to tell whether Danielle would threaten the U.S. mainland, forecasters said. The nation's most vivid recent images of hurricanes are those from 1992, when a hurricane designated Andrew demolished large sections of South Florida and Louisiana and set a record as the nation's costliest hurricane, with damage worth more than \$30 billion.

Just a few years earlier, another storm, Hugo, caused more than \$7 billion worth of damage after slamming into South Carolina, Puerto Rico, the U.S. Virgin Islands and other Caribbean islands.

Those storms arrived after days of warnings, resulting in relatively low death tolls — 26 for Andrew and 56 in the case of Hugo.

On Sept. 8, 1900, a hurricane struck Galveston, Texas, without warning, leveling the city. The total number of people killed has never been determined, but estimates range from 6,000 to 12,000. (AP, AP, Reuters, NYT)

## CHINA: Mistakes Admitted in Flooding That Has Killed 3,000

Continued from Page 1

How effectively the new policies can be carried out remains a big question, because the livelihoods of hundreds of thousands of poor people will be affected, including loggers upstream and farmers in the middle and lower reaches of the river.

A number of water experts are also calling for fundamental changes in the approach to flood control, reflecting a debate over strategy that has continued in China for thousands of years.

Lu Qiankan, a retired government hydrologist and flood prevention expert, said that in 1980 an important report by the Ministry of Water Resources laid out plans for reinforcing and raising the main dikes along the Yangtze. But by 1987, only \$48 million of the \$1.2 billion that was called for had been spent on the project.

"Eighteen years have passed," Mr. Lu said, "but the main dikes are in a state of disrepair, leading to breaches this year."

The neglect of downstream dikes, Mr. Lu and other critics say, reflects a bias toward building dams and reservoirs to battle floods despite their inherently limited capacity.

Though the topic is too politically sensitive for the official news media to explore, the floods this year have revived private debate about the giant Three Gorges Dam under construction along the upper reaches of the Yangtze.

Officials involved in the project have tried to capitalize on the crisis, contending that the dam will greatly reduce — if not eliminate — flooding like this year's.

Mr. Lu, who was involved in feasibility studies for the Three Gorges Dam but who refused to sign the recommendation to proceed, said its effect could only be small. In 1954, he said, in the previous flood comparable to this year's, nearly 14 times more water flowed into the dam site than the dam would be capable of retaining. And much more water flowed into the river below the dam site.

Along with improving dikes, critics of the dam-centered approach say, more must be done to protect natural waterways that can soak up water and to set aside basins downstream where overflows can be diverted. But intense population pressures and poverty make this difficult.

Hubei Province, on the middle reaches of the Yangtze, where the damage this year is worst, was once known as the province of 1,000 lakes, many of them linked to the Yangtze system, said Zhou Kuili, vice director of the government's Research Center on Flood Disasters. But because of draining projects and siltation, many of the lakes have simply disappeared, he said.

The huge Dongting Lake in Hubei is the most important single lake for retaining excess waters along the Yangtze.

According to a new report by the State Environmental Protection Agency, the lake borders, again because of drainage for farms and the inflow of silt, have shrunk drastically. Its capacity has fallen by nearly half since 1949.

Decades ago, a large basin near the Yangtze in Hubei was designated as the major emergency water diversion area: When floods grew too high, dikes there would be intentionally breached, relieving pressures elsewhere. The waters were so diverted in the great floods of 1954, when 170,000 people had to be evacuated. Today, 550,000 people live in the diversion zone, said Mr. Zhou, making it nearly impossible to open the floodgates.

Instead, hundreds of thousands of troops are working around the clock to prevent breaches at the dikes.

## LIBYA: A Trial in Netherlands Is Accepted

Continued from Page 1

Colonel Gadhafi wanted assurances that questions only about the bomb attack over Lockerbie — and no other Libyan activities — would be asked at the trial, and that his intelligence network, which many accuse of supporting international terrorism, would not be scrutinized.

In announcing the trial proposal Monday, the U.S. secretary of state, Madeleine Albright, had explicitly warned that no compromises would be made and that no time-consuming delays would be accepted.

The Arab League, where the proposal for a Scottish trial in the Netherlands originated, obliquely warned the Libyans against obstructing the compromise on a trial.

"Libya has counted on the support of the Arab, African and Nonaligned countries to bring about a solution to this problem," Hussein Hassouna, the Arab League's representative at the United Nations, said in an interview Wednesday. "I don't expect them to take a

position that will lose them this support in coming phases of the case."

Libya's pleas for time were largely ignored by the Security Council, which moved ahead to debate on the resolution, which may be adopted Thursday.

Stephen Gomersall, the deputy British representative, said that London was "very encouraged" by the support for the proposal that his country and the United States were getting from around the world as well as in the Security Council.

The proposal to try the Libyan suspects in The Netherlands but with Scottish judges had been discussed for months and was well known before it was made public in July.

There had been pressure on the United States and Britain to make the offer before a meeting of the Nonaligned Movement in South Africa beginning this weekend, where member nations were expected to declare that they would no longer abide by sanctions against Libya if there were no movement in the case.



## How Will Hong Kong Get Out of Its Market?

By Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — With Hong Kong well into its second week of what has become a billion-dollar experiment in the government's buying shares in private companies, analysts say the most interesting part is yet to come: how and when will the territory stop without upsetting the stock market?

"The government has basically hit the tar baby," said Marshall Mays, the chief strategist at Nikko Securities Co. "How do you get unstuck? The more you try, the deeper you get in."

Since it announced on Aug. 14 that it would buy shares of large Hong Kong companies in an effort to stabilize the tumbling stock market, the government has accumulated an es-

timated \$2 billion in stock. Now what?

"They're in a really difficult position," said Seema Desai, a regional economist at Schroders International Merchant Bank in Singapore. "If you get out, that could precipitate a further slide."

The intervention, which began nearly two weeks ago, was the first time that Hong Kong — seen as the bastion of free-market capitalism in the region — has bought shares in its own stock market. Critics say the move has artificially inflated prices on the Hong Kong market and raised the risk of investing there, because market players are now wary of further intervention.

Hong Kong officials defended the move as necessary in their battle against speculators.

Analysts say it could be months or years before the government can unload its stock purchases. If Hong Kong officials decided to stop intervening soon, the market could follow other markets around the region — and tumble again.

"You wouldn't see it fall by 2 percent a day. It would be much sharper than that," said Deep Kapur, a market strategist at Salomon Brothers Singapore Pte. Ltd. in Singapore.

Indeed, when the government seemed briefly to curb its purchases last Friday, the market's main index fell by 2.8 percent — after soaring by 16 percent in the days immediately following the intervention.

"If they want stability, they will have to be in the market," said Mr. Kapur. "This situation will have to continue until the real economy turns

around, until investors smell that the Hong Kong economy has bottomed out, that corporate profits will begin to recover — until all the bad news is out of the way."

Mr. Kapur said that could be up to 12 months away.

That is not what Hong Kong had in mind. The intervention was designed as a measure to combat the immediate threat of speculators — not as a long-term commitment.

The territory's chief executive called the intervention "a defensive effort targeted specifically at this particular action," referring to the attacks of market speculators.

Hong Kong has the means to buy stocks for many months to come. Its foreign currency reserves stand at al-

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## Deutsche Bank Slips From Top of Ratings

S&P Acts as Investment Banking Woes Fester

By John Schmid  
International Herald Tribune

FRANKFURT — Deutsche Bank AG slipped from the pinnacle of the world's financial houses Wednesday when Standard & Poor's Corp. downgraded its credit rating for the first time.

Until S&P reduced its rating to double-A-plus from the coveted triple-A, Deutsche Bank, the leading bank in Germany, was one of only two private commercial banks in the world holding the agency's highest ranking.

Now the lone bank with that distinction is Rabobank Nederland NV of the Netherlands, said Barry Hancock, managing director in London of S&P's financial institution ratings.

"The outlook is negative," S&P concluded, citing Deutsche Bank's "cost-intensive" expansion into global investment banking, which has weakened its profitability. "Deutsche Bank's former preeminent position has suffered to an extent which is no longer compatible with Standard & Poor's highest rating category."

The German bank now compares "unfavorably" with international peers," the agency said.

Even with the markdown on Wednesday, though, Deutsche Bank enjoys higher S&P ratings than its largest German rivals. Dresdner Bank AG has a double-A rating and Commerzbank AG has a double-A-minus rank. Moody's Investors Service Inc., another ratings agency, downgraded Deutsche Bank in December 1996.

The downgrade is more painful to the prestige of a bank that once towered over the rest of Europe than it is to its balance sheet, analysts said. The merger of Union Bank of Switzerland and Swiss Bank Corp. this year displaced Deutsche Bank as the biggest bank in Europe.

"It is a prestige matter to have a triple-A rating and then to lose it," said Georg Kanders, an analyst at Westdeutsche Landesbank in Dusseldorf.

S&P acted on what many see as Deutsche Bank's biggest stumbling block: its inability to break into the top leagues of global investment banks despite years of staggering investments, acquisitions and hires.

This business has been a drag on the parent company bank, the agency said in a toughly worded critique. Pierce competition "poses significant challenges for the bank to achieve its ambitious goals," the agency said.

"Deutsche Bank's investment bank strategy has lacked credibility for over a

year now," said Matthew Czepieliewicz, European Banking analyst at Salomon Smith Barney. "And the pace of setbacks has accelerated in 1998."

The downgrade, which is the first for Deutsche Bank since S&P began covering the bank in 1986, coincided with a plunge in the bank's stock, which closed at 122.60 DM (\$68.09), down 6 DM.

Investors cited the bank's exposure to financial upheavals in Asia and Russia for the sell-off, factors that pushed stock indexes around the world into negative territory Wednesday.

A spokesman for Deutsche Bank said the downgrade was not a surprise after S&P served notice that it was considering such action when it put Deutsche Bank on its "watch list" in January.

The downgrade will ratchet up pressure on Deutsche Bank to come up with a credible and possibly radical solution to its investment banking problems. S&P faulted Deutsche Bank's latest restructuring efforts, which are meant to integrate that business into the main commercial banking operations.

"Deutsche Bank also failed so far to successfully integrate the different cultures of its investment and commercial banking activities," S&P said.

The bank's stock has collapsed in the four weeks since it published its half-year earnings, which showed only a small increase in operating profit. Analysts now assume that profit margins in the investment banking unit are thinner and more precarious than assumed.

Some analysts believe that potential losses in investment banking could force Deutsche Bank to cut staff bonuses as a way to control costs, a move that could exacerbate an exodus of star financiers. Among other staff defections, it has lost a once-prized 132-member technology investment team in California.

Some analysts said the ratings downgrade would increase the pressure on Deutsche Bank to find a stronger partner in investment banking.

The bank already is believed to have held talks with J.P. Morgan & Co. in New York. Analysts believe that Deutsche Bank appears willing to go to humbling lengths to re-establish the credibility of its investment bank. They say Deutsche Bank might be prepared to relinquish control of its global operations and allow them to be managed by J.P. Morgan under a merged bank. Both companies have declined to comment on the speculation.

Some believe that Deutsche Bank at this stage might even consider a merger with its archrival, Dresdner Bank.

## Diana, Princess of Sales: From Mugs to Margarine

By Stuart Elliott  
New York Times Service

NEW YORK — As the first anniversary of her death nears, Diana, Princess of Wales, has become a powerful princess of sales, unexpectedly developing into the equivalent of a strong worldwide brand.

The merchandising of Diana's memory has grown rapidly into a multi-million-dollar business for scores of companies that are busily churning out items at all prices bearing her name, likeness or affectionate sobriquets such as "the people's princess" or "England's rose." Those products, of varying taste levels, are being promoted in advertising campaigns that have run almost continuously since her death last Aug. 31, appearing most frequently in mass media outlets like Sunday newspapers and women's magazines.

"She is the consummate brand, available to everybody," said Nick Shore, partner at a New York consulting company named Nick and Paul The Brand Agency.

"There are a lot of iconic aspects to what she was all about: the 'naïve,' the hair, the dress, the eyes," he said. "And she has been in our living rooms more than our own family members."

The deluge of "Dianabilia" — as the goods generated by the phenomenon are described in Britain, includes dolls, coins, stamps, collector plates, books, jewelry, candles, music boxes, video-

tapes, flowers and compact disks. Still more collectibles — exploitative or commemorative, authorized or otherwise — are on the way.

"As popular as Diana was alive, the outpouring since her death has been mind-boggling," said Jay Coleman, president and chief executive at EMCI, a company in Stamford, Connecticut, that specializes in entertainment and celebrity marketing campaigns.

"There's a whole industry out there and it wouldn't surprise me if we see an ongoing Diana presence."

By one estimate, sales of products inspired by Dianabilia are running at \$200 million annually. That is already equal to the yearly sales of licensed merchandise associated with Marilyn Monroe, another blonde whose sudden demise at age 36 drew international attention.

"Diana died a tragic death, somewhat similar to a Marilyn Monroe or a James Dean," said Mark Roser, chairman and chief executive of CMG Worldwide, an Indianapolis, which handles licensing and merchandising rights for more than 200 stars, such as Miss Monroe, Mr. Dean, Humphrey Bogart, Ingrid Bergman and Greta Garbo.

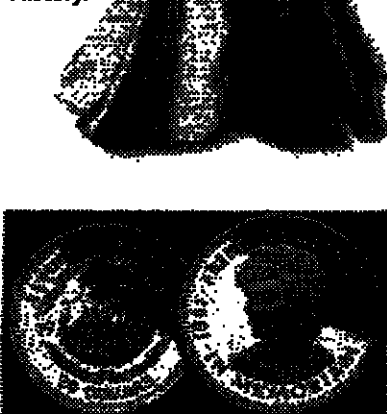
"And the unprecedented media coverage of her death undoubtedly made an impact," he said. "People buy things to remember."

See DIANA, Page 15

### Diana for Sale

The image of the late Princess of Wales has become a cottage industry. It appears on, among other things, coins, plates and stamps. Diana dolls are the icons of the cult of Dianabilia.

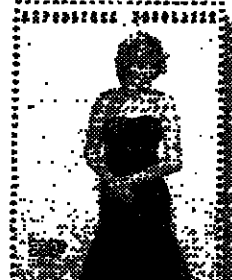
The "Queen of Hearts" porcelain doll can be had for \$188.95 from the Society for the Preservation of History.



The Princess Diana Solid Silver Memorial Coin, available from the Franklin Mint, costs \$55. It has a \$20 face value.



The Franklin Mint's porcelain portrait plate sells for \$29.95.



A set of nine stamps sells for \$9.95 and is legal for postage in the Republic of Togo.

## Germans Fear Panic in Russia Could Spread and Threaten Global Economy

By William Drozdiak  
Washington Post Service

BERLIN — As Russia's financial crisis continues to spin out of control, there is growing alarm in Germany and other European countries that it could soon have damaging economic consequences for the world's leading industrial democracies.

Leading German economists said that if Russia's problems can be isolated, they could be manageable in the long term. But they warned that if panic in Moscow triggers further instability in Asia and Eastern Europe, the impact could be devastating for the world economy.

"We are in the throes of a global currency crisis," said Lutz Hoffmann, president of DIW, the top German economic institute.

He predicted that an economic collapse in Russia would force a devaluation in the Chinese yuan, which would cause "the carousel to start turning again in Asia" and ultimately inflict a serious blow to the United States and western Europe.

As Russia's leading trade partner and biggest lender, Germany has been struggling to protect its substantial stakes there by trying to convince investors and the public at large that any melt-

down would only have minor repercussions.

But reaction Wednesday in European markets to the ruble's dwindling fortunes suggests that nervous investors are not heeding that message and see Russia's problems as a harbinger of further monetary turmoil.

Germany's leading commercial bank saw its credit rating slashed Wednesday and shares on the Frankfurt stock exchange plunged more than 3 percent in value, reflecting investor fears that Russia's troubles could prove contagious.

German banks have by far the largest foreign exposure with \$30.5 billion in outstanding loans to Russia, representing about 40 percent of foreign credits.

The looming confidence crisis has not been helped by contradictory messages from the German government.

A few days ago, top cabinet officials were insisting that the West must help Russia at all costs.

"An unstable, collapsing Russia is much more dangerous and would be much more expensive than a Russia which we support on its difficult path to a market economy," the economics minister, Oskar Lafontaine, said after the de facto devaluation of the ruble last week.

But Wednesday, the German finance minister warned that Russia should not

expect any further bailout by wealthy Western partners in the wake of the \$22.6 billion package assembled last month by the International Monetary Fund.

"Russia must do it by itself," Theo Waigel said. "Lasting stabilization of the financial situation in Russia is only possible if new confidence is created on financial markets and in the Russian public."

The "tough love" approach adopted by Chancellor Helmut Kohl's government represents a dramatic turnaround by Russia's most important economic partner.

For years, Germany opened its coffers to provide generous amounts of aid and state-guaranteed credits to Russia, largely out of gratitude for the bold political decision by Mikhail Gorbachev, the last Soviet president, not to thwart German reunification.

But with Mr. Kohl facing a difficult re-election campaign before national elections next month, his governing center-right coalition has balked at selling out more money to rescue Russia. Such a gesture is now seen as a grave political liability in Germany, where budgets are tight and joblessness is running close to record highs.

The opposition Social Democrats have sought to turn Mr. Kohl's vaunted

friendship with President Boris Yeltsin of Russia to his disadvantage with voters by charging that their much-publicized chats in the sauna have accomplished little to ward off a potential economic nightmare for both nations.

"Russia is becoming a bottomless pit for our money," said Ernst Schwandl, the Social Democratic Party's economic spokesman. "There is a major risk of a total default, and the German taxpayer could end up footing the bill."

Stanley Fischer, the IMF deputy managing director who is leading the drive to restore stability to the markets, said that prompt action by the Group of Seven industrialized nations could have avoided the economic and financial chaos now afflicting Russia. He told the Frankfurt Allgemeine newspaper that Germany's standoffish attitude indicat-

ed that Mr. Kohl had placed domestic political interests ahead of an emergency rescue operation for Russia.

As the ruble continued to fall in value, dropping more than 40 percent against the Deutsche mark, German investors joined the massive exodus from Russia.

Even though the shares of German banks have been hit hard, their interests remain largely protected because Bonn has guaranteed most of their credits to Russia and Asian countries.

But if those nations default on their loans, the impact on the German Treasury could be substantial.

Besides the hefty \$30 billion in outstanding loans to Russia, German banks are still seeking repayment of more than \$70 billion in shaky credits to Asia.

"Until now, Western countries have been compensated by lower prices in

gas, oil and other commodities from Russia and Asia," said Axel Siedenburg, an economist for Deutsche Bank.

"But now, we all could be facing a nasty downturn. With almost every investor running scared, the stability of the global financial system may be at stake."

### Russia Losses Weigh on CSFB

Credit Suisse Group said its investment bank had lost \$254 million in the past two months because of global market difficulties, mainly in Russia, where the value of investments has plunged, Bloomberg News reported from Zurich.

Credit Suisse Group said its Credit Suisse First Boston unit's net profit for the first eight months of 1998 declined to \$500 million as of Tuesday from \$754 million in the first half of 1997.

## CURRENCY & INTEREST RATES

Cross Rates									
	US\$	DM	FF	Yen	GBP	HK\$	S\$	NT\$	Other
Australia	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Belgium	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Canada	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
France	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Germany	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Italy	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Japan	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
South Africa	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Spain	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Sweden	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
Switzerland	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
UK	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222
US	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222

Libid-Libor Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	Other
US\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
DM	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
FF	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Yen	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
GBP	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
HK\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
S\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
NT\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	Other
US\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
DM	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
FF	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Yen	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
GBP	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
HK\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
S\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
NT\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Forward Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	Other
US\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
DM	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
FF	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Yen	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
GBP	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
HK\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
S\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
NT\$	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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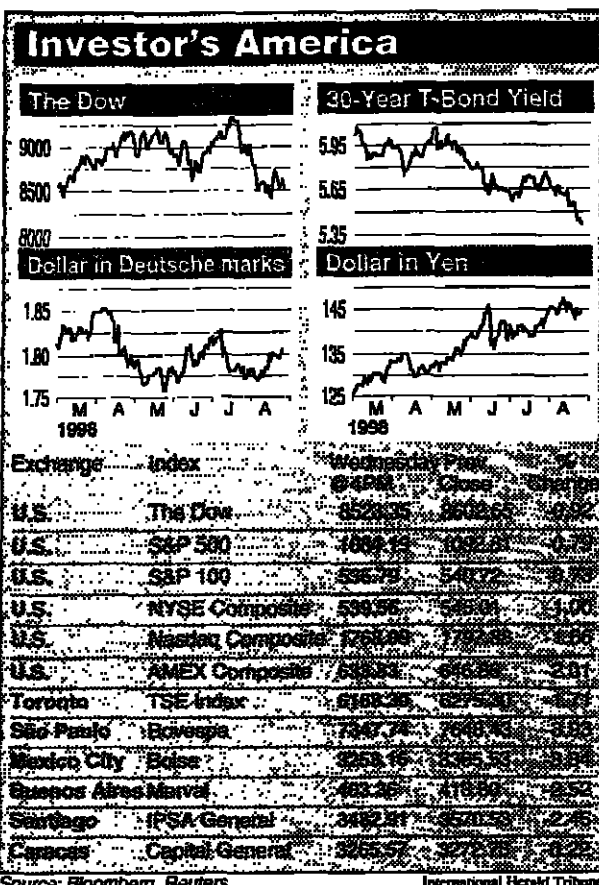
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## THE AMERICAS



## Very briefly:

- The Internet, once the domain of the young and technically inclined, is taking root with a wide cross-section of Americans. A new study estimates that more than a third of adult Americans now use the Internet, a rise of more than 18 million — or 34 percent — in nine months.
- Applied Materials Inc., a supplier of equipment used to make computer chips, plans to cut 2,000 jobs, or about 15 percent of its work force, amid one of the longest-running downturns in the worldwide semiconductor industry.
- PepsiCo Inc. completed its \$3.3 billion purchase of Tropicana Products Inc., but was unable to persuade the top executive of the world's largest branded juice company to stay on the job.
- Netscape Communications Inc. and Singapore Network Services signed a partnership agreement on Wednesday to provide software to businesses in Singapore and the region.
- Quark Inc. said it had offered to acquire Adobe Systems Inc. at a premium to its current stock price but has been turned down. Privately held Quark, which makes QuarkX-Press, the software rival of Adobe's own PageMaker, said it was making the offer public after being rebuffed by Adobe last week.

The Trib Index				
Prices as of 4:00 P.M. New York time				
	Level	Change	% Change	Year to date % Change
World Index	163.46	-2.94	-1.58	+6.59
Regional indices				
Asia Pacific	72.90	-1.12	-1.53	-24.74
Europe	217.55	-5.88	-2.63	+12.77
N. America	252.59	-0.40	-0.16	+16.85
S. America	92.56	-3.90	-4.05	-39.50
Industrial indices				
Capital goods	252.85	-1.28	-0.50	+22.32
Consumer goods	225.52	-1.03	-0.45	+7.53
Energy	182.74	-4.07	-2.18	-6.27
Finance	126.67	-4.28	-3.27	+3.02
Miscellaneous	140.03	-5.14	-3.54	-6.57
Raw Materials	165.23	-4.11	-2.43	-1.20
Service	199.17	-3.11	-1.54	+14.26
Utilities	147.04	-3.08	-2.05	-11.88

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.  
Compiled by Bloomberg News.

## AMEX

## Wednesday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street.  
The Associated Press.

Stock	Sales	High	Low	Last	Chg
Alcoa	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10
Amgen	100	10.10	10.00	10.00	-0.10

## Was Microsoft Bullying Intel?

## U.S. Investigates Possible 'Vague Threats' by Bill Gates

By Steve Lohr  
and John Markoff  
New York Times Service

Microsoft Corp. and Intel Corp. are so intertwined, so seemingly dependent on each other for their success, that they are often referred to as a single entity — "Wintel" — in recognition of the degree to which Microsoft's Windows operating system and Intel's microprocessors dominate the technology of personal computing.

But the government is investigating whether Microsoft has used its market muscle to force even Intel, its only real peer, to shelve new technology efforts that conflicted with Microsoft's ambitions. Federal and state investigators appear interested in an August 1995 meeting between Intel executives including the chairman, Andrew Grove, and Microsoft executives led by the chairman, Bill Gates.

At the meeting, Mr. Gates made "vague threats" about supporting Intel competitors, according to one of many internal Intel memos the company was required to hand over to investigators.

Mr. Gates, according to a memo written by an Intel executive who attended the meeting, was "livid" about Intel's "investments in the Internet," and wanted them stopped.

In the past few weeks, federal and state investigators have been taking depositions from Mr. Grove and three other Intel employees, people close to the inquiry said.

The investigators are pursuing additional evidence that might be included in the sweeping antitrust case against Microsoft filed by the Justice Department and 20 states.

The suit accuses Microsoft of using unfair business practices to protect its monopoly in operating systems and to extend that monopoly into the new markets for Internet software and commerce.

The case, scheduled to go to trial Sept. 23, focuses mainly on Microsoft's tactics in the market for browsing software for navigating the World Wide Web.

The Justice Department and the states say that in addition to thwarting competition, Microsoft has the clout to control the pace of innovation in computing, which is the focus of the investigation of Microsoft's dealings with Intel.

The public policy implication of Microsoft's power, the government says, is that technology makes its way into the marketplace at the pace that is best for Microsoft instead of best for the economy and for consumers.

Calling the suit misguided, Microsoft says it is a champion of innovation that benefits the high-technology economy and consumers as well.

## Global Anxieties Hold Wall Street From Gains

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Wednesday on concern that slowing economies and slumping currencies around the world will cut into corporate profits.

U.S. companies "are tied to economic activity abroad, which is slowing, so eventually we are going to see slowing here, too," said Donald Cox, chief investment

## U.S. STOCKS

strategist at Harris Investment Management Inc. "Analysts will realize profit estimates are overstated."

Banks fell on concern that Russia's debt-swap plan will result in huge losses on their overseas bond holdings. Stocks pared losses on optimism that low interest rates and a growing U.S. economy will support earnings.

The Dow Jones industrial average closed 79.30 points lower at 8,523.35. The Standard & Poor's 500 Index fell 8.67 points to 1,084.19, and the Nasdaq composite index dropped 30.09 to 1,765.08.

The credit market rose after the Russian government announced a plan that forces investors to take big losses on some ruble debt, enhancing the appeal of U.S. government securities as a refuge.

Thirty-year bond yields, however, were not reacting to the recent news as much as their shorter-term counterparts because "there is a little rate protest going on," with long-term yields so low, said George Adell, a trader at Philadelphia-based Starboard Capital Markets.

The benchmark 30-year Treasury bond rose 4/32 to 101 1/8, taking the yield to 5.42 percent from 5.43 percent.

Traders also paid little heed to a government report showing durable goods orders rose a bigger-than-expected 2.4 percent in July after rising a revised 0.2 percent a month ago.

Stocks pared some losses as drug and computer shares rallied. Dell Computer rose 4 1/2 to 128 1/2 and Bristol-Myers Squibb rose 3 1/4 to 112 5/16.

Drug shares are prized because their steady profit growth does not depend on economic growth, while many investors expect computer companies to benefit from businesses' need for productivity-enhancing equipment.

While the exposure of U.S. banks to Russian economic problems is small, compared with that of their European counterparts, some of the biggest U.S. financial companies,

including J.P. Morgan and Citicorp, stand to lose money. Russia's plan forces debt holders to swap ruble government securities for new bonds, an exchange investors said would leave them with about 30 cents on the dollar.

J.P. Morgan, one of the U.S. banks doing business in Russia and other emerging markets, fell 2 1/4 to 118 1/4. Citicorp fell 2 1/4 to 133 1/4 and BankAmerica dropped 1 1/4 to 78 1/4. Travelers Group, which is merging with Citicorp, fell 3/4 to 54 1/4.

Fort Systems declined 5 1/4 to 18 1/4 after the networking services company agreed to acquire Berkeley Networks for stock, options and cash in a deal worth up to \$250 million. (Bloomberg, AP)

## Dollar Rises As Traders Seek Haven

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against major currencies on Wednesday as traders sought safety in the dollar after the Russian government announced a plan that forces investors to take huge losses on billions of rubles in government debt.

Russia also canceled ruble-dollar trading on Wednesday, heightening concern that its financial crisis is worsening. The mark was hit hard because Germany is Russia's biggest lender and trading partner.

Mike Farnet, money manager with Baird, Biehl and Kaiser, said: "The question is does this become a negative for all of Europe, and then that is definitely a beneficial scenario for the dollar."

In 4 P.M. trading, the dollar climbed to 1.8065 Deutsche marks from 1.8005 D.M. It was at 144.225 yen, down from 144.315 yen. The dollar was at 1.5053 Swiss francs, up from 1.5045 francs, and at 6.0355 French francs, up from 6.0345 francs. The pound was at \$1.6370, down from \$1.6395. (Bloomberg, Bridge News)

## FOREIGN EXCHANGE

heightening concern that its financial crisis is worsening. The mark was hit hard because Germany is Russia's biggest lender and trading partner. Mike Farnet, money manager with Baird, Biehl and Kaiser, said: "The question is does this become a negative for all of Europe, and then that is definitely a beneficial scenario for the dollar."

## Nike Vows to Phase Out a Plastic

By David S. Hiltzenrath  
Washington Post Service

WASHINGTON — Nike Inc., the world's largest maker of athletic shoes, says it will purge its products of the widely used plastic substance polyvinyl chloride, which it called "a threat to humans and the environment."

Nike's plan, publicized Tuesday by the environmental group Greenpeace, was a symbolic milestone in a campaign to reduce the use of the plastic, known as PVC.

For now, Nike's gesture is more symbolic than substantive, though. Nike said it had "barely just begun" to look for materials to substitute for PVC and would make the change "as supplier capacity and viable replacements allow."

The manufacture and disposal of PVC can release toxins known as dioxins, which are linked to birth defects, cancer, decreased fertility and other problems, Nike said.

In a statement prepared for use by Greenpeace, made a point of denying that it was trying to divert attention from criticism of its labor practices in low-wage countries. A company spokeswoman said the elimination of PVC was a workplace safety issue.

The Vinyl Institute, which represents PVC producers, said the impact of Nike's action on the industry would be insignificant. But Mark Sofman, manager of industry affairs for the group, took exception to Nike's comments. "Vinyl's been in common use for nearly 70 years. It's used safely every day in thousands

of products," he said. A Nike spokeswoman, Dawn Leonetti, said the company did not know how much PVC it used. The material is used in various parts of shoes, in the logos that appear on Nike garments and as a laminate in duffel bags, among other things.

## Harnischfeger to Cut Jobs

Compiled by Our Staff From Dispatches

MILWAUKEE — Harnischfeger Industries Inc., a maker of machinery for pulp production and mining, said Wednesday it planned to cut about 3,100 jobs, or 20 percent of its work force, as weak demand from a paper glut resulted in a third-quarter loss.

Shares of the Milwaukee-based company fell \$3.3125 to close at \$16.9375 in New York after it said the "depressed" conditions were expected to last into next year. The company has cut 750 jobs since Nov. 1 and will trim 2,350 more to save \$110 million.

The company posted a loss of \$38.6 million for the three months ended July 31 compared with a \$35.9 million profit a year earlier. Revenue fell to \$503.2 million from \$704.2 million.

"Harnischfeger's results for the third quarter reflect the ongoing weakness affecting all of our businesses," said the chairman and chief executive, Jeffrey Grade.

"In the face of these depressed conditions, which we believe will continue into 1999, we are aggressively reducing Harnischfeger's rate of spending and aligning expenses with the current low sales levels," he said.

Harnischfeger's cost-reduction initiatives are expected to generate \$110 million in savings. The 20 percent job reduction began at the beginning of fiscal 1998, and 85 percent of the cuts are expected to be made by the end of the financial year. (Bloomberg, AP)

## U. S. STOCK MARKET DIARY

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## INTERNATIONAL FUTURES

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## EUROPE

# Lower Fuel Prices Help Lift Profit at Lufthansa

## Airline's Cost-Cutting Plan Yields Results

Compiled by Our Staff From Dispatches

FRANKFURT — Lower aviation fuel prices and a rigorous program of cost-cutting combined to bolster group net profit at Lufthansa AG in the first half, the airline said Wednesday.

Lufthansa's profit after tax and one-time gains rose to 924 million Deutsche marks (\$514.1 million) in the six months ended June 30, much higher than analysts' expectations, from 57 million DM in the year-earlier period. The results, posted Tuesday, also showed sales grew 66 percent, to 10.63 billion DM.

"This year's figure includes the 377 million DM that Lufthansa received from selling its 18 percent stake in Hapag-Lloyd AG, a travel and shipping company, to Preussag AG in the first quarter. In 1997, Lufthansa had a full-year profit of 833 million DM.

"The figures were clearly better than expected," said Uwe Weisbach, BHP Bank's Lufthansa analyst. "This is one of the world's most profitable airlines, and the figures were simply excellent."

Lufthansa's shares fell 2.30 DM, to close at 45 DM.

"A stable price climate, the ongoing downward trend in prices on the crude oil markets and the group-wide cost-reduction programs meant that expenditure in the first half of this year grew distinctly more slowly than both turnover and productivity," Lufthansa said.

Looking ahead, the airline said it expected a clear rise in full-year earnings, while sales were expected to grow in line with first-half results.

The group said the positive earnings development continued in July, with passenger business growing beyond expectations and above the previous year's levels.

Lufthansa's group profit from ordinary activities before tax more than doubled, to 928 million DM from 397 million DM.

Passenger income rose by 7.6 percent, to 7.4 billion DM, while freight income rose 2.7 percent, to 1.8 billion DM. (Reuters, Bloomberg)



GAME BOY — Sitting in a futuristic reclining seat, a youthful visitor enjoys a 3-D computer game Thursday at the CeBIT Home Computer fair that opened in Hannover, Germany.

# BNL Freezes Merger Plans With Banco Di Napoli

Bloomberg News

ROME — Banca Nazionale del Lavoro SpA, Italy's sixth-largest bank, officially froze plans Wednesday to merge with Banco di Napoli SpA amid disagreements over who would become the bank's largest shareholder following its sale to private investors.

BNL also reported an 18.6 percent rise in net profit to 82 billion lire (\$46.2 million) from last year's 69 billion lire, and it approved a business plan until 2001.

That plan, exclusively for BNL, does not "foresee merging with Banco di Napoli," and considers BNL's 49 percent stake in Banco di Napoli Holding, which controls almost 60 percent of the bank, "exclusively of financial nature."

"I think the merger with Banco Napoli was put on hold and is certainly not positive," said Michele Di Marco, analyst with Rasfin Sim in Milan.

BNL savings shares, the only kind traded, fell 396 lire, or 6.2 percent, to 6,012 lire in a falling market. Banco di Napoli fell 125 lire, or 4.5 percent, to 2,686.

Earlier this month, the Treasury Ministry named a prospective investor, Banco de Bilbao y Vizcaya SA, Spain's second-largest bank, as the linchpin of its efforts to create a stable shareholder base.

A merger of BNL and Banco di Napoli would have created Italy's fourth-biggest bank. The merger plan was supposed to be totally independent of the government's sale of most of its 85 percent stake in BNL. That plan was derailed after the Treasury Ministry rejected an offer to buy a BNL stake by Istituto Nazionale delle Assicurazioni SpA, or INA, Italy's third-biggest insurer, which owns 51 percent of Banco di Napoli Holding.

"I don't think INA will just abandon its efforts like this. It may just buy shares on the market," said Mr. Di Marco.

In June, INA said it would re-evaluate the merger plan, diminishing BNL's potential attractiveness to investors.

# France Prepares to Launch An Inflation-Linked Bond

PARIS — France said Wednesday that it would start to sell an inflation-linked bond on Sept. 15, a move designed to help it compete for funds on world markets.

The wider range of securities France is able to offer, the better it can compete for funds, a task that will get harder in January once the bulk of European debt is issued in euros, cutting the ties that currently bind investors to their domestic markets.

France will sell a minimum of 20 billion francs (\$3.31 billion) next month of a bond maturing July 25, 2009.

The bond will be sold through a syndication process via Banque Nationale de Paris, Barclays Capital and Societe Generale.

Other primary dealers will be closely associated with the sale, the

government said.

The inflation-linked bond will hold a fixed-rate coupon. Interest payments move in line with the principal value, which is indexed with the inflation index.

The government has said the bond's annual interest payments will be linked to the French consumer price index minus tobacco prices, up 0.7 percent in July.

In case of deflation, or falling consumer prices, the coupon and principal value will decline.

## German Bonds Fall

Prices for German bonds fell Wednesday as yields near record lows drove some investors away, Bloomberg News reported.

The decline was exacerbated by the approaching expiration of September futures contracts on Bunds.

# U.K.'s Yardley in Bankruptcy

Compiled by Our Staff From Dispatches

LONDON — Yardley Group, the venerable British perfume maker, went bankrupt on Wednesday after failing to adapt to the highly competitive and changing fashion market.

Yardley, which was founded in 1770 and has 300 employees, will be run by receivers from the accounting firm KPMG while a buyer is sought.

Although Yardley products were highly fashionable in the 1960s, the company, reputed to make the favorite perfume of the Queen Mother, is now dogged with an old-fashioned image.

Last year, the Yardley group switched its advertising model from actress Helena Bonham Carter, who has traditional English rose looks, to sculpted international supermodel Linda Evangelista.

In addition to perfume, Yardley

makes talcum powders and body lotions scented with lavender, rose and spring flower. It also makes brightly colored lipsticks and nail varnishes aimed at the younger generations.

KPMG said the company had suffered from a heavy debt burden since a change of ownership in the early 1990s and added that the company had identified a number of possible purchasers.

The company was sold by its former owner, SmithKline Beecham PLC, to Old Bond Street Ltd. for £110 million (\$180.3 million) in 1990.

"In recent years, Yardley has been unable to fully develop its brands due to cash constraints," said the receiver, Tony Thompson. "This receivership offers the opportunity for the right buyer to acquire them and unleash their potential. We expect a high level of interest." (AFP, Reuters)

## WORLD STOCK MARKETS

Wednesday, Aug. 26

Daily price in local currencies.

Amsterdam AEX index: 1125.56

Frankfurt DAX index: 3291.1

London FTSE 100 index: 5000.00

Paris CAC 40 index: 3400.00

Stockholm OMX index: 1500.00

Copenhagen OMX index: 1500.00

Buenos Aires Merval index: 415.19

Sao Paulo Ibovespa index: 4000.00

Manila PSE index: 1200.00

Seoul KOSPI index: 2000.00

Tokyo Nikkei index: 15000.00

Hong Kong Hang Seng index: 7000.00

Beijing SSE index: 10000.00

Shanghai SSE index: 10000.00

Guangzhou SSE index: 10000.00

Shenzhen SSE index: 10000.00

Hangzhou SSE index: 10000.00

Ningbo SSE index: 10000.00

Wenzhou SSE index: 10000.00

Jiaxing SSE index: 10000.00

Shaoxing SSE index: 10000.00

Wuxi SSE index: 10000.00

Zhangjiagang SSE index: 10000.00

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Wuxi SSE index: 10000.00

Zhangjiagang SSE index: 10000.00

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Wuxi SSE index: 10000.00

Zhangjiagang SSE index: 10000.00

Wuxi SSE index: 10000.00



NYSE

Wednesday's 4 P.M. Close  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press.

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

Hotel. A term to use loosely when describing Brown's.

To be perfectly honest, we are officially called Brown's Hotel. And yet, this could not be further from the truth.

Although situated at the heart of Mayfair, we consider ourselves more of a country home. One filled with genuine British hospitality, and warmth that's not merely from our traditional fireplaces.

And rather than just keep up with time, we've captured it. With magnificent furnishings, wood-paneled walls, glass screens, elaborate cornices, even the original moulded ceilings. A happy situation that has let every guest since our first enjoy the same generous comfort and opulence.

Also for the satisfaction of visiting gourmet, an English afternoon tea made legendary. As well as contemporary classic cuisine at our restaurant 1837.

Enhanced by a level of service that will keep you wanting more.

But coming back to the question, are we a hotel? A stay with us will surely convince you we are your home away from home.

**BROWN'S HOTEL**  
A RADISSON INTERNATIONAL HOTEL

ALBEMARLE STREET - MAYFAIR - LONDON W1X 4BP  
TELEPHONE: (44) 171 493 6020 • FAX: (44) 171 493 9381  
INTERNET: <http://www.browns-hotel.com> E-MAIL: [browns@brownshotel.com](mailto:browns@brownshotel.com)

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div Yld	PE	High	Low	Last	Chg
12.00	11.00	AA	0.00	0.00	12.00	11.00	11.50	-0.50
11.00	10.00	AAA	0.00	0.00	11.00	10.00	10.50	-0.50
10.00	9.00	BBB	0.00	0.00	10.00	9.00	9.50	-0.50
9.00	8.00	BBB+	0.00	0.00	9.00	8.00	8.50	-0.50
8.00	7.00	BBB-	0.00	0.00	8.00	7.00	7.50	-0.50
7.00	6.00	BBB+	0.00	0.00	7.00	6.00	6.50	-0.50
6.00	5.00	BBB-	0.00	0.00	6.00	5.00	5.50	-0.50
5.00	4.00	BBB+	0.00	0.00	5.00	4.00	4.50	-0.50
4.00	3.00	BBB-	0.00	0.00	4.00	3.00	3.50	-0.50
3.00	2.00	BBB+	0.00	0.00	3.00	2.00	2.50	-0.50
2.00	1.00	BBB-	0.00	0.00	2.00	1.00	1.50	-0.50
1.00	0.00	BBB+	0.00	0.00	1.00	0.00	0.50	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
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0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
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0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
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0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
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0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB-	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00	BBB+	0.00	0.00	0.00	0.00	0.00	-0.50
0.00	0.00							



## ASIA/PACIFIC

## Executive Charged in Hong Kong Investigation

**HONG KONG** — A former chairman of Allied Group Ltd., one of the largest property and consulting companies in Hong Kong, was charged Wednesday with nine fraud-related offenses after his arrest at the border with mainland China in connection with the territory's biggest corporate investigation.

The official, Lee Ming-tee, 58, was arrested Tuesday, five years after a special investigator's report contended that he used a network of offshore firms to evade Hong Kong disclosure laws and avoid paying for stock purchases.

Mr. Lee, a Malaysian-born Australian, was charged with four counts of conspiracy to defraud and five other counts in a deception case, which the prosecution said involved a total of 700 million Hong Kong dollars (\$90.4 million).

The charges follow the most expensive inquiry in the history of the Hong Kong stock market, the Commercial Crime Bureau said, costing 46 million Hong Kong dollars in legal fees.

Allied Group came under scrutiny in 1992, when a special investigator was appointed to look into its affairs. A 600-page report from the investigator contended that Mr. Lee and his nephew, Lee Seng-chay, used a string of offshore companies to buy stock in Allied between January 1990 and May 1992 without meeting some public disclosure laws or paying for some transactions.

Names appearing in the investigator's report included Chim Pui-chung, a jailed Hong Kong legislator, and the Riaty family of Indonesia, which controls the Lippo Group.

Mr. Lee was publicly reprimanded by the Hong Kong Stock Exchange in 1996.

Ronald Tse, a former finance director of Allied who has been in police custody in Australia, has been deported and faces 22 charges in Hong Kong, including allegations that he acted as a co-conspirator with Mr. Lee.

The former chief executive of Allied, Chan Chun-on, is also named in the charges, but has not been arrested. (AFP, Bloomberg)



**FLYING UNITED** — Richard LaVoy, president of American Airlines' Allied Pilot Association, left, shaking hands with Mike Oldham, chairman of the British Air Line Association, as pilots from 11 airlines met in Tokyo on Wednesday to sign a pact protecting pilots' working conditions.

## Legislators Assail LTCB Rescue

**TOKYO** — Leading political opposition forces in Japan's lower house of Parliament threatened Wednesday to derail the government's rescue plans for the Long-Term Credit Bank of Japan Ltd.

Three opposition groups are to submit a bill as early as next week to tackle Japan's crippling loan crisis and their bill challenges the government's proposals, officials said.

Lawmakers registered their criticism of the government's plans for LTCB by boycotting a key committee, which was due Wednesday to begin debate on the bank.

The debate was delayed until Thursday.

LTCB, suffering from huge bad loans, has been ravaged on the stock market in recent months and forced into a rescue merger, an effective takeover, by Sumitomo Trust & Banking Co.

LTCB's share price tumbled 5 yen, or 8.8 percent, on the Tokyo stock market, to close at 52 yen.

Sumitomo Trust slid 29 yen, or 7.4 percent, to 364 yen.

The government wants to inject a

vast amount of taxpayers' money into LTCB to keep it afloat until the merger.

The plan would also set up bridge banks to take over failed banks.

Opposition groups insist on a

more radical solution than the government's and would ban the use of public money to support a troubled but still solvent bank. They would rather see weak banks forced to fail.

## South Korean GDP Falls 5%

**SEOUL** — South Korea's economy shrank an estimated 5 percent in the first half of 1998, its biggest drop since the Korean war, as living standards plunged to an eight-year low, officials said Wednesday.

The country is likely to suffer another sharp contraction in the second half as the economic crisis takes a growing toll on what was once the world's 11th biggest economy, the central bank chief, Chon Chol Whan, warned.

First-half gross domestic product is estimated to have contracted by 5 percent from a year earlier, he told a meeting of businessmen here. The decline was the deepest since data compilation began after the Korean war ended in 1953. The largest previous drop was 3 percent in the second half of 1980.

Second-quarter contraction was "far bigger" than the 3.9 percent slump of the first quarter, Mr. Chon said. The sagging economy is expected to widen again in the second half amid a freeze in investment and consumption as well as sluggish exports, he said.

The Bank of Korea governor added that growth prospects would come under additional pressure from growing unemployment.

## Telstra Net Surges 86% As Firm Plans 2,000 Job Cuts

**SYDNEY** — Telstra Corp. posted the largest annual net profit in Australian corporate history Wednesday. The telecommunications giant then announced it would cut 2,000 jobs next year.

Net profit surged 85.8 percent from a year earlier to 3.04 billion Australian dollars (\$1.75 billion) in the 12 months to June, with revenue climbing 8.9 percent to 16.8 billion dollars.

Among the best-performing divisions were mobile telephony and its associated products, and Data and Internet services.

Frank Blount, the chief executive, said that flat-to-declining revenue from traditional telephony would continue to be offset by growth in nontraditional services.

But he warned that if events in Asia slow economic growth in Australia, profit could be affected. He also cited future risk from regulators and intensified competition.

Mr. Blount said more than 70 percent of Telstra's costs were labor-related and 2,000 jobs will be cut.

The company originally planned to squeeze its work force by 25,500 over four years, but now "it will be 27,500 over five years."

Unions assailed the move, saying profit came at the expense of labor.

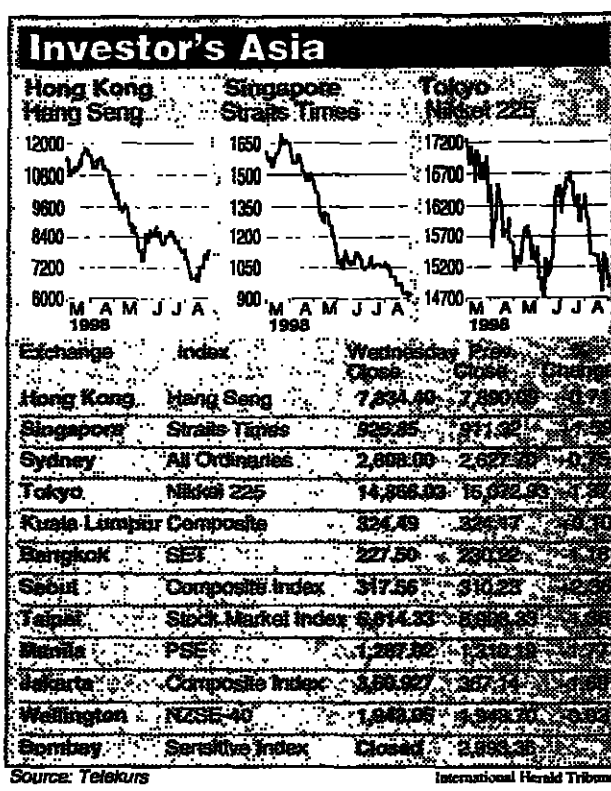
"Staff have not had a wage increase for over 17 months because of Telstra's intransigence, yet Telstra is obviously massively profitable," the Communications, Electrical and Plumbing Union said.

The result, which exceeded the prospectus forecast by 7.1 percent, was in line with analysts forecasts. The bottom line was bolstered by the absence of abnormal losses.

The company was one-third privatized and triumphantly floated on the Australian Stock Exchange late last year. The majority owner is still the Commonwealth of Australia, although plans to float the remaining shares have failed.

Shares fell 14 cents to 4.47 dollars in a market weakened by global uncertainty.

The company confirmed that it is searching for a replacement for Mr. Blount when his contract runs out later this year.



## Very briefly:

• Penas Corp., a Malaysian property developer and construction company, said it obtained a court order to hold its creditors at bay for six months while it and its 26 units found ways to repay debt. The company did not disclose the size of the debt.

• Wella AG, the world's second-largest maker of hair-care products, said it had bought the 50 percent stake of its long-standing partner Dong-A Pharmaceutical Co. in their South Korean cosmetics joint venture, Myungmyung Cosmetics.

• Nissan Diesel Motor Co. said it might add extra holidays for some of its employees in an effort to reduce inventories.

• Netscape Communications Inc. and Singapore Network Services signed a partnership agreement to provide electronic-commerce software to businesses in Singapore and the region.

• Asian business leaders expect the Chinese currency to be devalued within six months, according to a poll. Eighty-four percent of respondents said they anticipated a devaluation of the yuan within the next two years, with 51 percent expecting China to devalue within six months.

• Hong Kong mortgage lending fell again in July, reflecting gloom in the local property market, but the pace of decline slowed from the previous month, official data showed. New mortgage loans fell 0.7 percent in July, to 9.38 billion Hong Kong dollars (\$1.21 billion), compared with a 1.5 percent drop in June, the Hong Kong Monetary Authority said.

• Amcor Ltd., an Australian paper and packaging group, said it was targeting cost reductions of 80 million Australian dollars (\$46.1 million) in the year ending June 30.

• India will open its highly protected insurance sector to foreign insurers, but only as minority partners in joint ventures with domestic firms, said B.K. Chattervedi, the Finance Ministry's special secretary for insurance.

• Sichuan Changhong Electrical Appliances Co.'s net profit plunged 32 percent, to 634 million yuan (\$76.7 million), in the half ended in June. The Chinese company attributed the decline in profitability to the impact of the Asian financial turmoil. (Bloomberg, AFP, Reuters)

## DIANA: A Year After Her Death, Cash Registers Ring Out for Her

Continued from Page 11

The estimate of Diana brand sales does not include the revenue derived by television networks, magazines and newspapers that are devoting special programs, issues and sections to the accident that killed her and two others in Paris.

Among those Dianaphilic media are Good Housekeeping, MSNBC, NBC, the New York Post, People and TV Guide.

The demand for the Diana brand is also evinced in efforts to cross-merchandise her with other pious commercial properties, as if she were a McDonald's or a Pepsi-Cola being linked with a Walt Disney or "Star Wars." For instance, Ty Inc. brought out a Beanie Baby devoted to Diana, a purple bear with a white rose over its heart. And a necklace by Asprey London inspired by the Heart of the Ocean, the gem worn by Kate Winslet in the film "Titanic" was auctioned at a benefit for the Diana memorial fund.

The interest in Diana as a brand is not completely unexpected because in life, she also moved the goods. First there were items issued for her wedding to Prince Charles, which were subsequently followed by trinkets like tea towels, magnets and coffee mugs. Most of that merchandise, however, was sold on a small scale in souvenir shops; the post-death products are being distributed far more broadly.

The reasons for the prominence of the Diana brand extend beyond the abrupt and well-publicized nature of her death. Otherwise, consumers would have been buying Princess Grace products for the last 16 years.

"People identified with Diana," said Jeffrey Lotman, chief executive at Global Icons, a Los Angeles company that handles licensing and merchandising for such celebrities as James Cagney, Sammy Davis Jr. and W.C. Fields. "She was the first member of royalty in my time that you felt you could touch."

Like other brands, Diana has not been immune from business problems. The Diana, Princess of Wales Memorial Fund, which was formed after her death, sued the Franklin Mint in May, charging that the company was not authorized to use her image on dolls, plates and other products.

The mint, a unit of Roll International, is fighting the suit and proclaiming in ads that it had "pledged a minimum of \$4 million worldwide to charity in tribute to the beloved Princess Diana."

Some decisions by administrators of the fund, which has raised \$132.8 million from fees from sales of authorized Diana merchandise, have been second-guessed as being in questionable taste.

Critics in Britain decried lottery tickets and magazine ads bearing Diana's name even though proceeds from their sale were donated to the fund.

Prime Minister Tony Blair com-

plained in February about "inappropriate and tacky" commercial exploitation of Diana.

Will such difficulties, as well as the inevitable fading of memories, take a toll on the Diana brand? The experts seem to think not.

"I expect there will be a market for a long time," said Marty Brochestein, executive editor of The Licensing Letter, a newsletter published by EPM Communications in New York.

"For those killed at an early age, their images are frozen in time," he added, invoking John F. Kennedy, who "hasn't gotten older in people's minds; he is still the youthful, vital president."

Paula Scher, a partner at Pentagram, a design company in New York, said: "Diana's longevity as a brand depends on how effectively she is managed. If the management of the brand is good, Diana can go on forever."

## BUY: Will Hong Kong End Intervention?

Continued from Page 11

most \$100 billion, although some of that money is tied up in long-term agreements with central banks around the world.

Ultimately, analysts say, it is a question of how much Hong Kong is willing to spend propping up its stock market.

The government has focused on trapping speculators who bet against stocks in futures contracts that come due at the end of this week. With share prices now higher than some of the speculators had expected, they may have to take a loss.

Rather than be deterred, however, many of these speculators have simply closed out their August contracts and opened new ones for September — setting the scene for a protracted battle.

On the sidelines of this battle, Hong Kong's market regulators must deal with the prickly ethical issue of holding stakes in companies that they are

charged with overseeing.

Their job is to reprimand companies that break securities laws, for instance. But as shareholders, they are presumably interested in selling their stocks higher than they bought them.

The government must also decide which companies to protect and which to let be exposed to free market forces — decisions that could be important in determining which companies emerge from the current trouble healthy and which don't.

In the end, the government's total stake in companies listed on the stock market is not expected to be high. Analysts say the government is unlikely to own more than 15 percent of Hong Kong's biggest companies.

And given the territory's massive reserves, the government can take its time in unloading the shares. "They can wait longer than the market can," Mr. Mays said.



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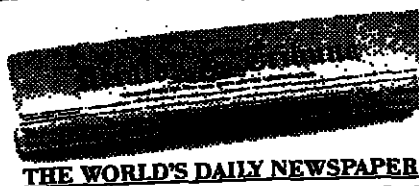
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**Wednesday's 4 P.M. Close**  
(Continued)

[illegible]

Sl. No.	Particulars	Amount	Total
1	Salaries and Wages	100000	100000
2	Gratuity	50000	50000
3	Provident Fund	25000	25000
4	Medical Expenses	10000	10000
5	Travel Expenses	5000	5000
6	Office Expenses	15000	15000
7	Depreciation	30000	30000
8	Interest on Loans	20000	20000
9	Income Tax	10000	10000
10	Other Income	5000	5000
11	Profit	10000	10000
12	Loss	5000	5000
13	Reserve	20000	20000
14	Dividend	10000	10000
15	Interest on Deposits	5000	5000
16	Gifts	1000	1000
17	Donations	500	500
18	Other Receipts	500	500
19	Other Payments	500	500
20	Other Income	500	500
21	Other Loss	500	500
22	Other Reserve	500	500
23	Other Dividend	500	500
24	Other Interest	500	500
25	Other Gifts	500	500
26	Other Donations	500	500
27	Other Receipts	500	500
28	Other Payments	500	500
29	Other Income	500	500
30	Other Loss	500	500
31	Other Reserve	500	500
32	Other Dividend	500	500
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**August 26, 1998**

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## SPORTS

# Buckeyes Are No. 1, But Michigan Looms

The Associated Press  
They're ranked No. 1 in the preseason poll, have a tested quarterback and a veteran defense returning nine starters. But for the Ohio State Buckeyes to win a national title, they must first conquer the Big Ten.

That means beating Michigan, something the Buckeyes have done just once in the last decade.  
Circle Nov. 21 — the Buckeyes already have. That's when they play host to Michigan, which is 8-1-1 in the

last 10 games against Ohio State, including three straight victories.  
"We need to win that game. We need to do a better job, we need to make plays, coach better, play harder or whatever," Ohio State coach John Cooper said.

Ohio State defensive back Ahmed Plummer said the Buckeyes don't believe in jinxes or mental blocks when it comes to playing their biggest rival.  
"I don't want to blame it on psychological things," Plummer said. "It's something we have to get over, we have to believe in ourselves. When we do get to Michigan, hopefully we'll be at the top of our game."

Michigan coach Lloyd Carr, whose team won the national title last season, said the Wolverines' domination of the Buckeyes is the result of several factors, including luck.

"It's the greatest rivalry in college sports," Carr said. "The last few years both schools have had a lot on the line. The more meaning it has, the better. They all come down to a guy making a play or getting a break."

The Buckeyes have one of their toughest openers in years — on the road at West Virginia on Sept. 5. The Wolverines, ranked fifth in the preseason, go to Notre Dame.

"It's not like all of a sudden we're No. 1 and people are going to be up for us," Cooper said. "I don't know if we've ever caught anybody on an off day when we've played them. Everybody we play I'm sure has us underlined. If there is a big game on our schedule, I'm sure we're it."

Ohio State has 17 returning starters overall, although Butkus Award winner Andy Katzenmoyer had to attend summer school to be eligible along with safety Damon Moore and guard Rob Murphy.

Joe Germaine, who shared the starting role with Stanley Jackson for two years, is now the No. 1 quarterback. He completed 61 percent of his passes last season and has thrown for 3,040 yards and 31 career touchdowns. He's got two top receivers in Doc Miller and David Boston, and a quick running back in Michael Wiley.

Michigan returns 15 starters from its national championship team, but Heisman Trophy winner Charles Woodson and quarterback Brian Griese are gone.  
Tom Brady, Scott Dreisbach or freshman Drew Henson will replace Griese. Dreisbach has the most experience. He started all 11 regular-season games in 1996, but lost the job to Griese. Based on a strong showing in spring drills, however, Brady should get the starting position this fall even though he attempted just 15 passes in a backup role last season.

Penn State, meanwhile, lost its final two games last season and the Nittany Lions face a brutal schedule that in-

cludes seven bowl participants from last season and trips to Columbus and Ann Arbor.

Troubled running back Curtis Enis left for the NFL and the Nittany Lions are inexperienced on offense, especially at quarterback.

Coach Joe Paterno, two wins shy of 300, will rely on a defense led by end Courtney Brown, linebacker Brandon Short and defensive backs Shawn Lee and David Macklin.

Iowa lost running back Tavian Banks and kick returner extraordinaire Tim Dwight. The Hawkeyes' defense features defensive end Jared DeVries, a three-year starter.

"When we're not supposed to have a shot, we're usually at our best," coach Hayden Fry said.

Michigan State is playing a 12-game schedule for the first time in school history. The Spartans lost key offensive performers in quarterback Todd Schmitz, tackle Flozell Adams and guard Scott Shaw.

They do return tailback Sedrick Irvin, who gained 1,270 yards last season, and defensive end Robaire Smith, who had 11½ sacks.

Purdue was the surprise team of the Big Ten last season with an offense that averaged 460 yards per game. The Boilermakers, winners in the Alamo Bowl, return just four offensive starters and Drew Brees must make the jump from backup to starting quarterback.

"Big" is the word at Wisconsin, where the Badgers have 260-pound running back Dayne back for another season, running behind an offensive line that includes 370-pound Aaron Gibson and 311-pound Chris McIntosh. Both linemen are 6-foot-7.

Dayne was slowed by injuries last season but still managed to gain 1,457 yards, one season after he picked up 2,109 as a freshman. The Badgers also have an experienced quarterback in Mike Sammel and a soft early-season schedule.

For the first time in years, there's no Aunty in Northwestern's backfield. Adrian Aunty, a 1,000-yard-rusher, is gone, but the Wildcats hope to be bolstered by the return of wide receiver D'Wayne Bates, who broke his leg in the season opener last year.

Sophomore quarterback Gavin Hoffman, who is 6-6, is the starter.  
Linebacker Barry Gardner, the Big Ten's leading tackler a year ago, heads the defense.

Minnesota must replace receiver Tatum Atwell and count on linebacker Pat Williams to lead a defense that was one of the most improved last year under coach Glen Mason, entering his second season.

Cam Cameron is also in his second season at Indiana. Defensive end Adewale Ogundimu, who has 18½ sacks in two seasons, and quarterback Jay Rodgers, who completed 58 percent of his passes last season, are keys for the Hoosiers if they want to improve on a 2-9 record.

Illinois coach Ron Turner suffered through an 0-11 season in his first year. And now the Illini, with a school-record 17 straight losses, have lost Robert Holcombe, the leading rusher in school history.

Turner wants to find a quarterback and stick with him, something he didn't do last year. He said he hopes Mark Hockstura, who started five games last season but was inconsistent, will be the answer.



Vassili Baranov of Spartak, left, battling Altin Haxhi of Litex in Moscow.

## Spartak Drubs Litex, 6-2

MOSCOW — The Russian champion Spartak Moscow thrashed Bulgaria's Litex Lovech, 6-2, in the European Cup on Wednesday to advance into the Champions' League with an 11-2 aggregate score.

The Russians made the return match a formality after winning the first leg, 5-0, in Bulgaria.

Spartak picked up where it left off two weeks ago by scoring its first goal

less than seven minutes into the game when Andrei Tikhonov calmly slotted the ball past Litex's goalkeeper, Vitimir Vitov.

After Bulgaria's Dimcho Beljakov equalized for Litex in the 28th minute, Tikhonov struck again just three minutes later.

Veselin Ignatov added to Bulgaria's woes when he was sent off for his second yellow card in the 35th minute before Spartak's Brazilian striker, Robson, finished off the Bulgarians with two goals in the second half.

Vietnam 4, Laos 1: Vietnam, the host of the Tiger Cup, moved to the top of group standings on Wednesday with a 4-1 victory over Laos.

Playing in front of a vocal home crowd in Hanoi, Vietnam's top striker, Le Hinh Duc, put his team at the top of Group B ahead of Singapore with two goals in the last seven minutes.

Nguyen Hong Son and Nguyen Van Sy had given Vietnam a 2-0 goal cushion before the break but Keolakhone Champhone of Laos got one back just before the hour.

But Le, whose status for the game was initially unsure because of an injury, saved his best for the end when he restored his team's two-goal advantage with a powerful left-foot drive and then added another with a fierce diving header on the stroke of full time.

Singapore, coached by the Englishman Barry Hearn, beat its arch-rival Malaysia, 2-0, in the smothering mid-afternoon heat.

Mohd Rafi Ali opened the scoring after just 12 minutes with a looping header and the 19-year-old Ahmad Latif claimed the second, doing well to finish after showing superb poise in front of the goal.

### German Goalkeeper Quits

The German national team's goalkeeper, Andreas Koepke, capped 54 times by his country, said Wednesday he was retiring from international soccer. The Associated Press reported from Marseille.

Koepke, 35, is the ninth player to have quit the German national team since it lost, 3-0, in the World Cup quarterfinals against Croatia. Like many other aging stars of the team, Koepke came under criticism for his performances during the tournament.

Coach Berti Vogts, under fire after Germany's second successive early World Cup exit, has promised to rebuild the national team with young players. Koepke starred at the 1996 European Championships in England, saving a penalty in a shootout against the host nation to send Germany into the final, where it beat the Czech Republic.

He currently plays for French first division club Marseille. But after two years as its first-string goalkeeper, he has been on the bench for the first three matches this season, replaced by Stephane Porato.

Koepke met with Marseille officials Tuesday to discuss his future, and later said he was prepared to remain with the club but that he would consider any offers from other clubs. The German veteran Andreas Moeller and Thomas Haessler announced Saturday they were quitting the team, although both left the door open for a return.

Meanwhile, in Rome, Captain Paolo Maldini could miss Italy's European Championships qualifying game against Wales next month because of an abdominal muscle injury, the ANSA news agency reported.

Maldini hurt himself Tuesday night during a Serie A exhibition game that his AC Milan club lost, 2-1, to Juventus.

## Up Close, Golf Is Great

There's Nothing Like Eyeballing the Tee

By George Vecsey  
New York Times Service

NEW YORK — What I did on my summer vacation: I watched the best male golfers in the world, from a few feet away. I have been raving about my experience ever since, so now I want to rave in print.

Anybody reading these gushing sentiments may very well say, "Where have you been, you twit?" But that's exactly the point. In 16 years of writing a column, I had never seen a single stroke in person. We have good people

### VANTAGE POINT

who write about golf, and it just never came up.

Asked why I never cover the sport, I would flippantly say, "I don't do golf," but I never bashed the sport, ever. I have played five times in my life, always visiting somebody, and I loved the physical and mental challenge, but just couldn't see having the time, the money, the psychic energy, to do it justice.

The week before last, while I was visiting family in Seattle, the PGA Championship happened to be nearby, so I volunteered to write a column on the final day. On a drizzly Sunday morning, a press official graciously handed me the yellow armband that allows a handful of journalists to walk the course — "inside the ropes."

Unbelievable. The trend these days is to move reporters farther from the action, to sell the seats to wealthy fans, but I was given the visceral equivalent of standing on the sideline of a football game.

I could have followed Tiger Woods or Mark O'Meara, or watched every body play through one specific hole, but I opted to start with the final pair, Vijay Singh and Steve Stricker, who were four strokes ahead. Following my colleague, Fred Klein of The Wall Street Journal, I ducked under the rope, and hunkered down just a few dozen yards from the tee.

There was Stricker, a relatively lean, standard-issue white-American-male golfer, and Singh, a more fleshy, seemingly boneless man of Indian ancestry, who was born in Fiji.

I am used to being around the Jordans and McGwires, athletes who use blatant grace and power to control a moving ball. Now I watched two rather ordinary-looking humans turn themselves into compact, tightly wound instruments of delivery of a stationary ball.

Thwack. So great was their aim that thousands of people up close felt in no

danger of being skulled as the balls rocketed down the narrow fairways lined with fir trees.

Click-clack. Occasionally, a ball would end up facing thick trunks and branches looming like a forest full of the Chicago Bulls. If Stricker or Singh needed to get below a Phippen-like branch, they hit a vicious line drive with no arc at all.

If they needed to get above a Rodmanesque tree, they hit a soaring shot that invoked the word "parabola." And usually the ball would land, plop, near some distant green, or maybe a few feet from the cup.

The next thing I noticed was the interplay between golfers and caddies. Once, I heard Singh's caddy say, "It's too far," and then shake his head negatively when Singh putted short, and at the end, Singh would praise the man for his wisdom. Stricker also used hand gestures that could be taken as imperious to ask his caddy to make a sighting for him.

In the trek along the course, the reporters and officials were careful to leave space for Singh and Stricker, but sometimes you would hear a dainty little clatter, and you would scamper to the side to let the caddies move ahead.

Stricker seemed more tense, but also more friendly, occasionally waving his arms in response to applause. Once during a lull, I heard him chatting with a course official, asking him what he did for a living. Singh was more distant, barely acknowledging his surroundings.

The fans in designer clothes, who had paid hundreds of dollars to be there, were racially mixed, including dozens of Indians, and one man in a bright purple turban. I'm just guessing Tiger Woods had a larger percentage of African-Americans, but I never caught a glimpse of him. This was where the action was, as Singh won the major title by two strokes over Stricker.

As I wrote my column that afternoon, my legs tingled from walking four miles, often on steep hillsides. I have great respect for Casey Martin, the talented professional with a debilitating leg ailment who has received legal permission to use a golf cart.

However, the pleasant ache in my legs confirmed my outsider's opinion that walking 18 holes is as much a challenge for top golfers as bunkers and roughs.

After the distinct privilege of walking in their spongy footsteps, I will follow these athletes with even greater respect. I doubt it will take another 16 years before I catch another round.

## Court Still Holds Soccer Fan

The Associated Press

DOUAI, France — A French court Wednesday refused to free a German soccer fan suspected of beating a French policeman during the World Cup.

The ruling means that Karl-Heinz Elscher will remain in custody while an investigation into the attack on David Nivel, who fell into a coma for six weeks after the beating, continues.

Elscher was arrested after the attack on Nivel, who was hit on the head with an iron bar shortly after a June 21 World Cup match between Germany and Yugoslavia in the northern town of Lens.

French authorities placed Elscher in custody on June 23 but released him about a month later. He was again incarcerated on Aug. 5.

French judicial authorities are investigating whether to press charges against Elscher for "attempted homicide" of a member of the French police force. Doctors say that Nivel's condition has improved since he emerged from a coma earlier this month but that he still has difficulties understanding.

Four other suspects are in custody in Germany, facing charges of attempted murder, causing serious bodily harm and disturbing the peace.

### DENNIS THE MENACE



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### JUMBLE

THAT REMEMBERED WORD GAME by David Levinsky and John McKinley

One word to each square, to form a sentence. Use the clues to help you.

1. PURUS

2. CUDIL

3. VIRFED

4. THINKK

5. ...

6. ...

7. ...

8. ...

9. ...

10. ...

11. ...

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### PEANUTS



### GARFIELD



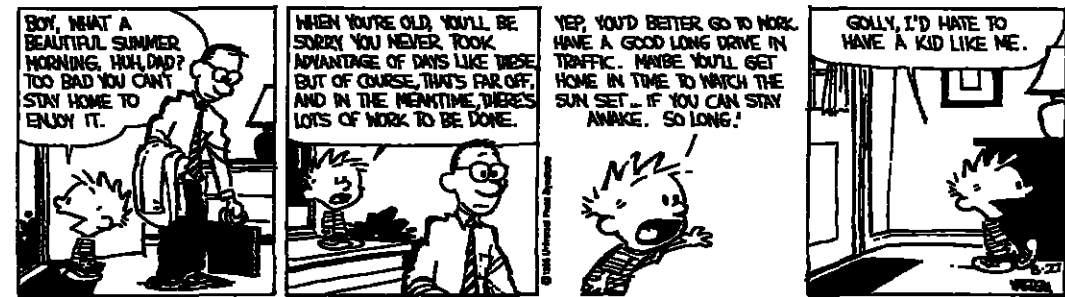
### BEETLE BAILEY



### BLONDIE



### CALVIN AND HOBBS



### WIZARD of ID



### NON SEQUITUR



### DOONESBURY



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APR 20 1998



## VIDEOS

## The Faces of Apes

By Peter M. Nichols  
New York Times Service

NEW YORK — Early in "Planet of the Apes," the 1968 science-fiction film that spawned four sequels, two television series and all manner of gimcrackery through the 1970s, a tall, lithe astronaut named Taylor corrects the misimpression of two intellectual chimpanzees who are trying to determine who this supposedly primitive human is and where he fits into the cosmic puzzle.

"I am not the missing link," he informs them. Having crashed-landed a spaceship on an unknown planet he believes to be 320 light-years from Earth, Taylor, portrayed with abrasive strength by Charlton Heston, and a cowering band of mutant humans have been rounded up by ferocious gorilla cavalymen and tossed in a cage as if they were — well, gorillas.

Throughout all five films, the species are at each other's throats. Interestingly, though, this culture clashing had no negative effect on the films' popularity as family entertainment. Critics hold that the science-fiction settings gave the "Planet" movies latitude to confront dicey social situations in ways that may have turned off audiences of more conventional movies. Whatever the case, watched end to end in a new set of videos from Fox, together with an informative documentary, "Behind the Planet of the Apes," the films reflect an extraordinary accommodation of messages burning to be dramatized in the era of Vietnam protest and violent racial unrest, on one hand, and the restraints and sweeteners required for a family movie on the other.

Adapted from a novel by Pierre Boulle and written by Rod Serling and Michael Wilson, who had been blacklisted in 1951 for supposed Communist connections, "Planet of the Apes" was relentlessly promoted from the time it was just a concept by the producer Arthur Jacobs. Hollywood, however, found the idea of costumed apes uncomfortably close to Saturday morning cartoons. Only Richard Zanuck, the head of 20th Century-Fox, was willing to make the film.

"We chose it strictly for its entertainment value," he said recently. "It was something that we'd never seen before." Zanuck oversaw "Planet of the Apes," which was directed by Franklin Schaffner, and its first sequel, "Beneath the Planet of the Apes" (1970), before he moved on from Fox.

With writers like Serling and Wilson, message was inevitable. In "Planet of the Apes," by far the best film of the series, humans are the primitive, speechless primates; the apes, neatly compartmentalized in their own social classes (gorillas do the fighting, chimpanzees are the intellectuals and orangutans are political leaders) and busily engaged in all the power games humans play, defensively rule the roost. Taylor, a smart, tough, can-do kind of fellow from an order of humans developed eons earlier, electrifies his highly prejudiced captors with his first words: "Take your stinking paws off me, you damned dirty ape."

But always there are deadly matters at hand. A harsh, bitter man, Taylor is a refugee from a human society he suspects has long ago destroyed itself with hate and nuclear warfare. "He's disgusted with life and the human race," Heston said.

The sequels grow darker. In "Beneath the Planet of the Apes," the gorilla army ignores antiwar protesters and marches on human mutants living in an underground Forbidden Zone (a blitzed New York City). The humans are praying to their god. "Glory be to the bomb and to the holy fallout as it was in the beginning," intones a priest.

By the second sequel, "Escape From the Planet of the Apes" (1971), humans again have the upper hand. The engaging chimpanzees Cornelius and Zira are refugees on Earth, having escaped nuclear destruction in the spaceship Taylor rode in on in the first film. As the apes were with Taylor, humans are startled to learn that Zira can talk ("I loathe bananas"). Later it is discovered that Zira is pregnant, and she and Cornelius are hunted down and killed by humans who fear the onset of an ape baby boom.

In the third sequel, "Conquest of the Planet of the Apes" (1972), the apes are trained as slaves. After much provocation, Caesar organizes his species and stages a revolution. In keeping with the rising tide of violence in American movies in the early '70s, pitched battles are fought in the streets of Los Angeles.

At test screenings, women gathered up their children and ran for the exits. The studio was alarmed. With family appeal threatened, the violence was toned down in "Battle for the Planet of the Apes" (1973), the final film of the series. At the end, ape and human children mingle in a hopeful sign of harmony. But from first film to last, the "Planet" series seemed to know better.

Only Zanuck was willing to make the film.

But always there are deadly matters at hand. A harsh, bitter man, Taylor is a refugee from a human society he suspects has long ago destroyed itself with hate and nuclear warfare. "He's disgusted with life and the human race," Heston said.

The sequels grow darker. In "Beneath the Planet of the Apes," the gorilla army ignores antiwar protesters and marches on human mutants living in an underground Forbidden Zone (a blitzed New York City). The humans are praying to their god. "Glory be to the bomb and to the holy fallout as it was in the beginning," intones a priest.

By the second sequel, "Escape From the Planet of the Apes" (1971), humans again have the upper hand. The engaging chimpanzees Cornelius and Zira are refugees on Earth, having escaped nuclear destruction in the spaceship Taylor rode in on in the first film. As the apes were with Taylor, humans are startled to learn that Zira can talk ("I loathe bananas"). Later it is discovered that Zira is pregnant, and she and Cornelius are hunted down and killed by humans who fear the onset of an ape baby boom.

In the third sequel, "Conquest of the Planet of the Apes" (1972), the apes are trained as slaves. After much provocation, Caesar organizes his species and stages a revolution. In keeping with the rising tide of violence in American movies in the early '70s, pitched battles are fought in the streets of Los Angeles.

At test screenings, women gathered up their children and ran for the exits. The studio was alarmed. With family appeal threatened, the violence was toned down in "Battle for the Planet of the Apes" (1973), the final film of the series. At the end, ape and human children mingle in a hopeful sign of harmony. But from first film to last, the "Planet" series seemed to know better.

## Jose Quintero: Rescuing O'Neill, and Himself

By Mel Gussow  
New York Times Service

NEW YORK — The theater is Jose Quintero's lifeline. "It is not a mere profession," he said. "It helps me to clarify the process of living. I know my way around this ground. It's like reading Braille."

He was standing in front of the stage at the Provincetown Playhouse in Greenwich Village and facing a group of theater students, teachers and professionals.

"I am here to open doors," he continued. The doors are to the plays of Eugene O'Neill. For nearly 50 years, Quintero has been the preeminent director of O'Neill and the artist most responsible for re-establishing the reputation of the Nobel Prize-winning playwright.

This month Quintero is back in New York from his home in Sarasota, Florida, for a series of public forums, a feature of the Playwrights Theater's festival of O'Neill. The festival's inaugural program, early O'Neill one-acts, runs through Sept. 11 at the Provincetown, and over the next seven years the company plans to present all 49 of O'Neill's plays.

Since 1987, when throat cancer took away his normal power of speech, Quintero has spoken with the aid of a Servox, a microphone-like instrument that he holds firmly to his neck. Speaking slowly and precisely, he sounds like a robot in an echo chamber. But listeners can attribute themselves to his voice, and when he talks it is with his customary passion, especially when the subject is O'Neill and in this case "Long Day's Journey Into Night."

In this opening session, he spoke for two hours about his long relationship with the work of O'Neill and with the playwright's widow, Carlotta Monterey O'Neill. Relating his own life to "Long Day's Journey," he took his audience step by step through the text. In subsequent forums, actors joined him onstage and acted out scenes from the works being analyzed.

Despite his handicap, the director has created a new career as a lecturer and university professor. He teaches directing and acting, dividing his year between the University of Houston and Florida State University.

In his roller-coaster career, Quintero has moved from euphoria to despair and back again. He has battled alcoholism and other private demons while repeatedly revitalizing himself. In the 1950s, with Theodore Mann at Circle in the Square, he reclaimed the careers of Tennessee Williams and O'Neill with his historic revivals of "Summer and Smoke" and "The Iceman Cometh," which made stars of Geraldine Page and Jason Robards.

He moved to Broadway with "Long Day's Journey Into Night" and other plays, but by the early 1970s, after a series of crises, the



Quintero, who speaks with the aid of a mechanical voice box.

offers ended and he found himself emotionally and artistically desolate. Then, with his 1973 Broadway revival of "A Moon for the Misbegotten," starring Robards and Colleen Dewhurst, he performed another theatrical miracle.

At the time he said: "Life is a series of deaths and resurrections. I suppose O'Neill taught me that."

Sitting in a borrowed Manhattan apartment, he looked back on his bout with cancer. "I marvel that I'm still here," he said. "As you may imagine, when I was told I was to lose my voice, it was a terrible shock. Although the doctor gave me a very slim chance of survival, I never thought about dying. My main preoccupation was how I was going to earn my living. My whole life had been communication."

Eventually he returned to an active theatrical life. He conducted workshops in California. Then Sidney Berger, a former student of his and the director of the School of Theater at the University of Houston, invited him to teach.

"He's a great gift," said Berger, who attends all the director's classes. "One of the students said that going to Jose's classes is like going to church. He gives you not just technique but the spiritual justification for being in the theater."

Occasionally Quintero has returned to directing, most recently in 1996, when he did "The Long Voyage Home" in Provincetown, Massachusetts, but teaching has become almost a full-time occupation.

Reflecting on his past, he said that "A Moon for the Misbegotten" was one play he would never do again because it was impossible for him to see it without thinking of his actors. "It was never regarded as a great play," he said. "Then with Colleen and Jason and myself and Ed Flanders, something happened, and the play came into full bloom. Many times I went to see it and there was a line of immensity." That production, he said, "will live in my imagination as long as I live — and in the imagination of those who saw it."

He said that one reason for his success with O'Neill is that he never thought of him as a realistic playwright. One model for his version of "Moon" was Van Gogh's "Starry Night." The day before the interview he had gone to the Museum of Modern Art to look at the painting again. "You wouldn't call that a realistic painting," he said, "and yet he really caught the magnificent drunken feeling of moonlight and stars swirling in the sky."

Looking back on his life, he said the happiest times were at the beginning of Circle in the Square, when the excitement of discovery was in the air every day. For all his success on Broadway, he has always considered himself an off-Broadway director. As he recalled those days, his enthusiasm increased and his words took on renewed clarity. He began talking about his landmark production of "The Iceman Cometh."

In 1956 he decided to revive the play, which had been a disappointment in its original Broadway run in 1946. Robards had acted for him once, and Quintero wanted him for the small role of Jimmy Tomorrow. The actor, who was driving a taxicab to make a living, came to see him.

"Very timidly," Quintero remembered, "he said he would like a crack at Hickey," the central role and at that point not yet cast.

"Jason looked like the opposite of the description by O'Neill. He was so thin and his eyes were so haunting. He seemed like the last person you would think of casting as Hickey." Nevertheless, Quintero agreed to let him read the role.

For an audience of one, Robards started Hickey's monologue, his long aria of culpability, and Quintero was astonished. "Suddenly my understanding of the depths of the play began to emerge," he said. "He knew more about O'Neill than I did. He added texture, and I could almost feel it in my hands. I could certainly feel it resonating inside me. Not since 'Crime and Punishment' had guilt been so tangible to me. He went on like a man possessed. He began to sweat — rivers of sweat — and I did too. Finally I said, 'That's enough.'"

He explained, "From the moment he began to talk, the part belonged to him. He was Hickey. It was one of those illuminating moments — almost an epiphany. I knew Jason was a good actor. I didn't know he was a great actor." That evening, he telephoned Robards and said, "The part is yours."

The opening, the ecstatic reviews, the acclamation, the careers all followed, but it was that reading that made everything possible. As Quintero said, "There in one afternoon that seemed like any afternoon, it changed three people's lives — the actor, the director and the playwright. He added, 'Not only three people's lives.'"

## PEOPLE

THE "Titanic" star Leonardo DiCaprio is out of the running as the serial killer in "American Psycho," an adaptation of the Bret Easton Ellis novel. The 23-year-old actor and the independent studio Lions Gate Films couldn't agree on a starting date, the Los Angeles Times and the New York Daily News reported. DiCaprio is scheduled to begin filming "The Beach" in January.

Priscilla Presley was awarded \$75,000 in a defamation lawsuit against a man who claimed they had an affair before she married Elvis Presley. The court ruled that Laverna Currie Grant, a former army buddy of Presley's, made false statements that were used as the source for the book "Child Bride: The Untold Story of Priscilla Beaulieu Presley" by Suzanne Finstad.

The mention of John Dos Passos brings to mind fiction like "Three Soldiers," "Manhattan Transfer" and the "U.S.A." trilogy. But Dos Passos was

also an artist of another sort — a modernist whose earliest works were drawn in the trenches during World War I, when he drove ambulances in Italy for the Red Cross. Over more than 50 years, Dos Passos created about 600 works. Beginning on Sept. 9, 32 works will be exhibited through Oct. 8 under the title "Colors That Will Not Fade" at the Century Association in New York.

A Salvador Dali fan began an attempt to deliver the world's longest speech to mark the 33th anniversary of the day the late surrealist painter declared the railroad station in Perpignan, France, the center of the universe. Luis Colet plans to speak nonstop for more than 24 hours, until Thursday at 4:21 P.M., the time Dali arrived in Perpignan in 1965 to make his pronouncement.

A British man will spend half a year entombed in the garden of his local pub as a tribute to his dead mother — herself a former record-holder in the peculiar

sport of being buried alive. Geoff Smith, 37, plans to climb into a box Saturday that will be lowered into a hole near the Railway Inn pub in Mansfield, England. He hopes to stay underground 180 days — long enough to beat the current world record-holder. In 1968, Smith's mother, Emma, spent 101 days buried alive in Skegness, setting a world record that stood until 1981.

Gary Coleman, the former child star of TV's "Diff'rent Strokes" from 1978 to 1986, pleaded not guilty to slugging a woman who sought his autograph at the mall where he works as a security guard. Coleman, 30, did not appear in court for arraignment on a misdemeanor assault charge. The judge set a pretrial hearing for Oct. 20. Tracy Fields, a Los Angeles bus driver, said Coleman signed an autograph and then flew into a rage when she asked him to personalize it for her son on July 30. In a \$1 million lawsuit against Coleman, Fields alleges that she suffers headaches and muscle spasms as a result of the attack.



HONORING NAMIBIA — Fishing and Maritime Minister Abraham Iyambo with Gil, the Lisbon Expo mascot, at celebrations at the Namibia pavilion.



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